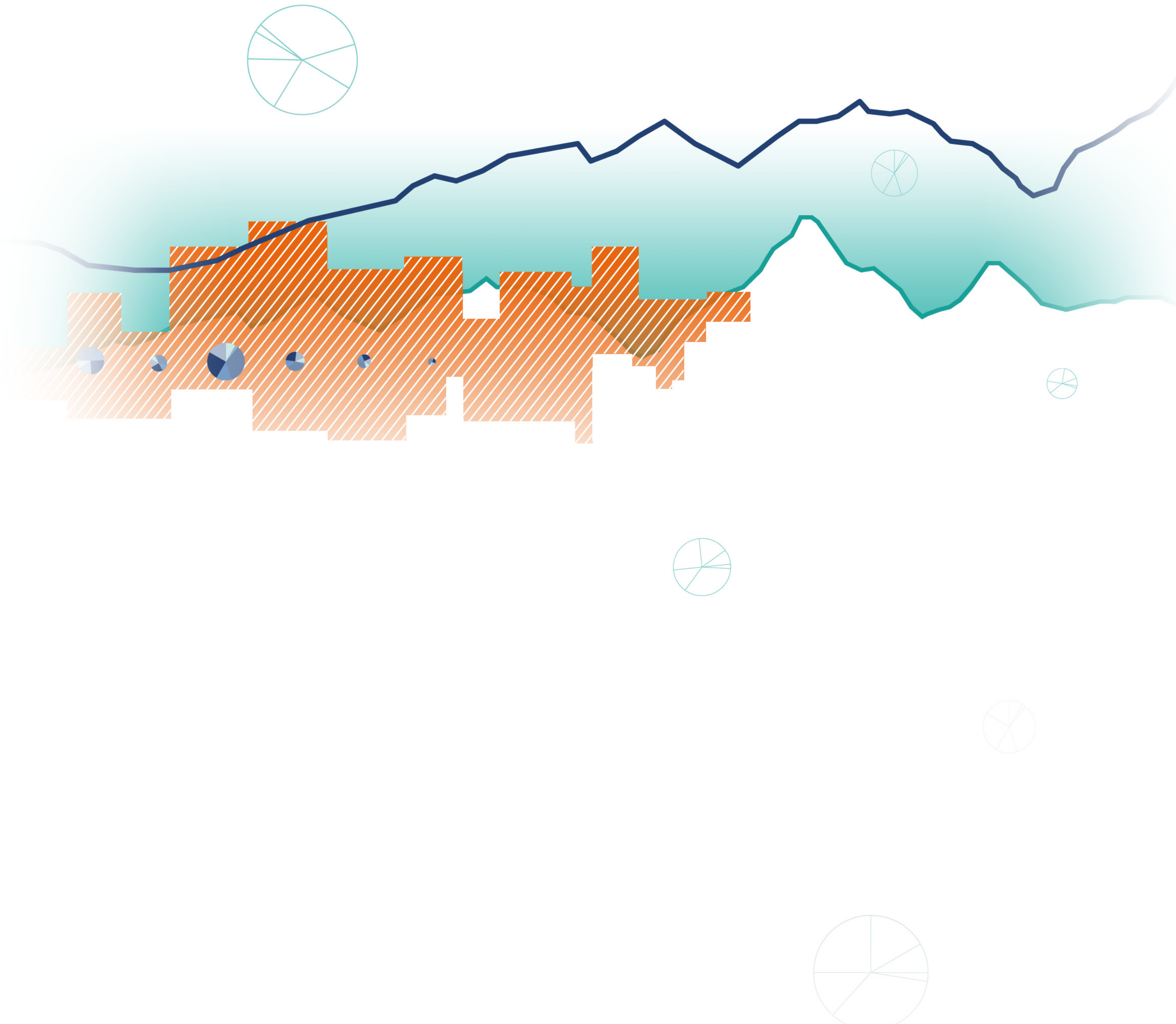
Morningstar® Direct℠

2011 User Guide



Direct Certification

Direct Certification

The Morningstar Direct Certification program is a quick and easy way for new users to become familiar with all of the product's capabilities.

Flexible and Convenient

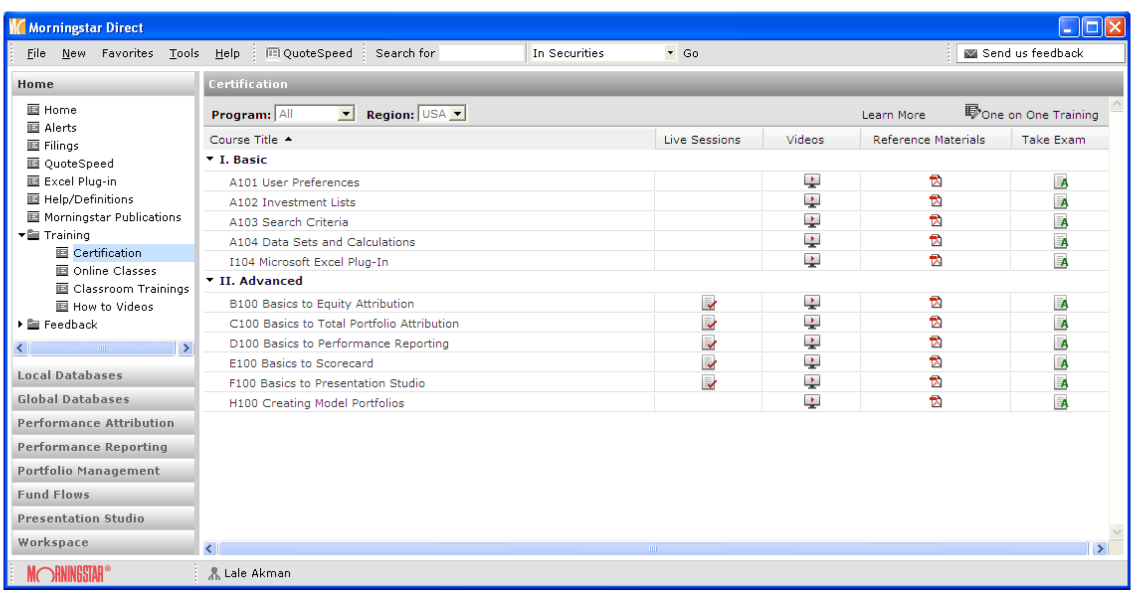
Product capabilities are organized and prioritized based on our years of experience training thousands of users around the world. Each capability section includes live training options at specified dates or the ability to view a prerecorded video. All training sections can be completed in 60 minutes or less, allowing to you schedule sessions at your convenience and to revisit subjects as often as needed.

Becoming Certified

Each capability section concludes with a short exam. Results are available instantaneously and you must receive a score of 75% or more to continue to the next section. To become Morningstar Direct Certified, you must pass all sections. Exams can be retaken as needed. Once certification is complete, you can then explore a larger library of training opportunities available within Morningstar Direct.

Special note to academic institutions:

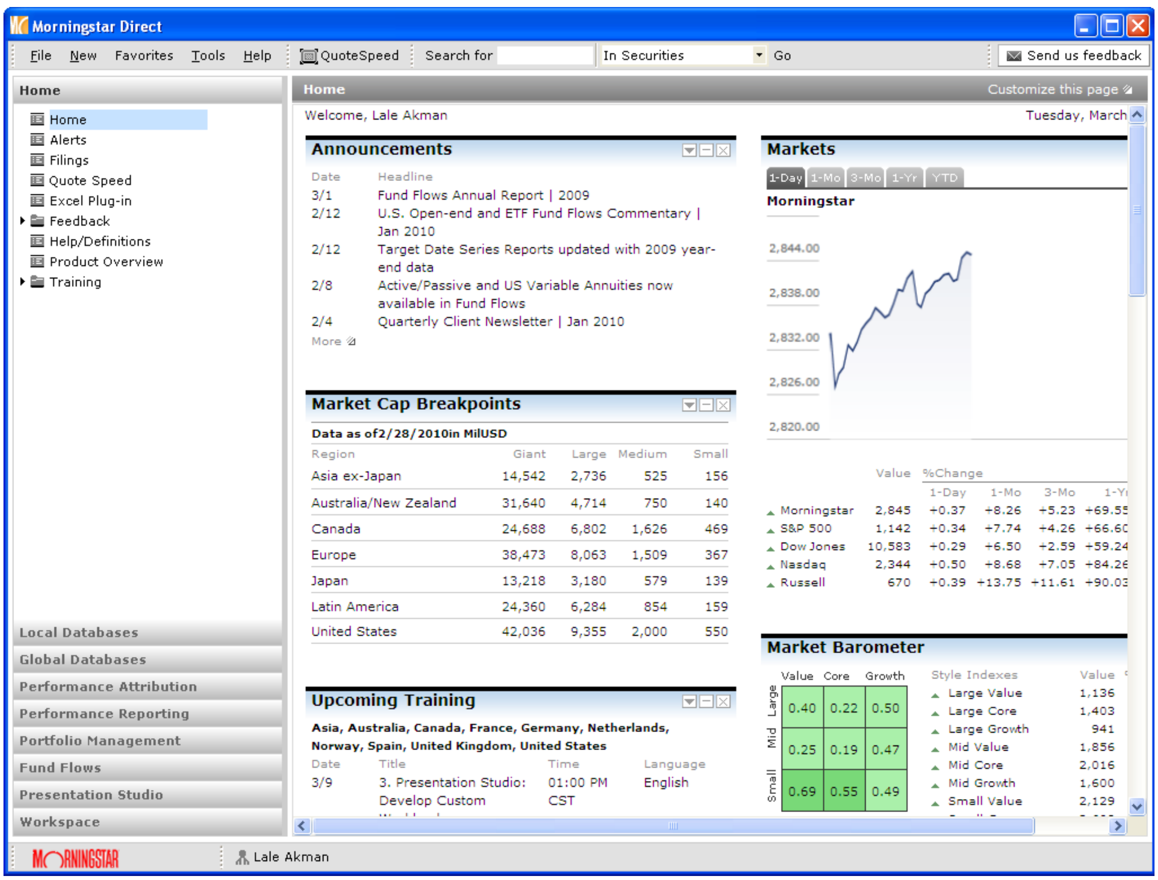
Certify your students on Morningstar Direct and we'll feature your institution in a Morningstar Direct communication piece. Please contact us for details.



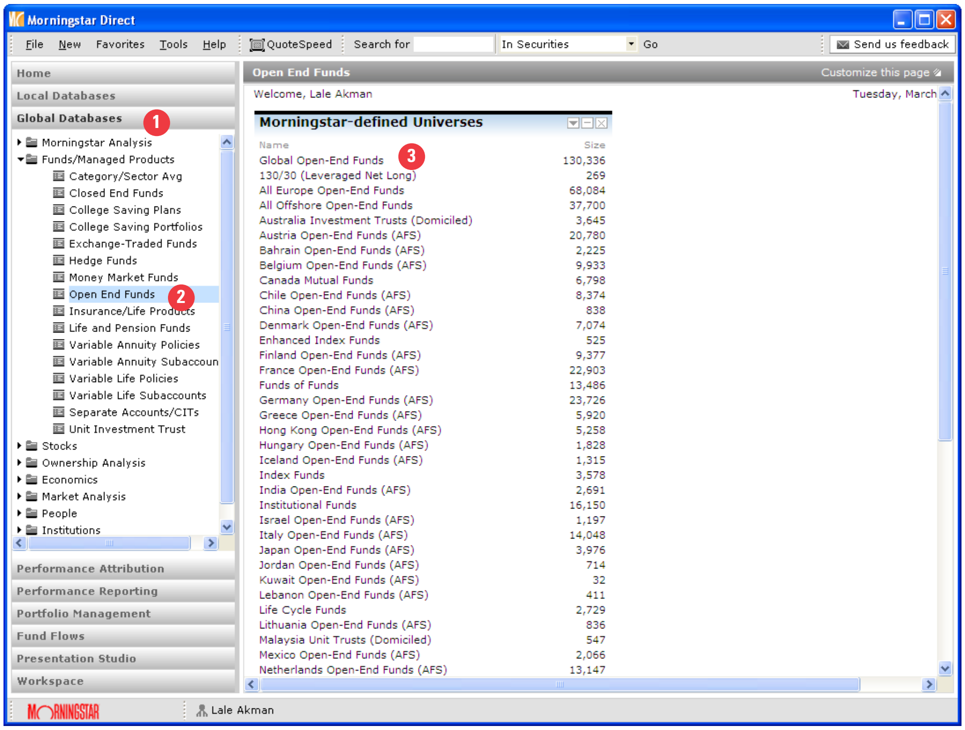
Getting Started

Product Layout

Morningstar Direct is organized by folders. When you login, you 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.



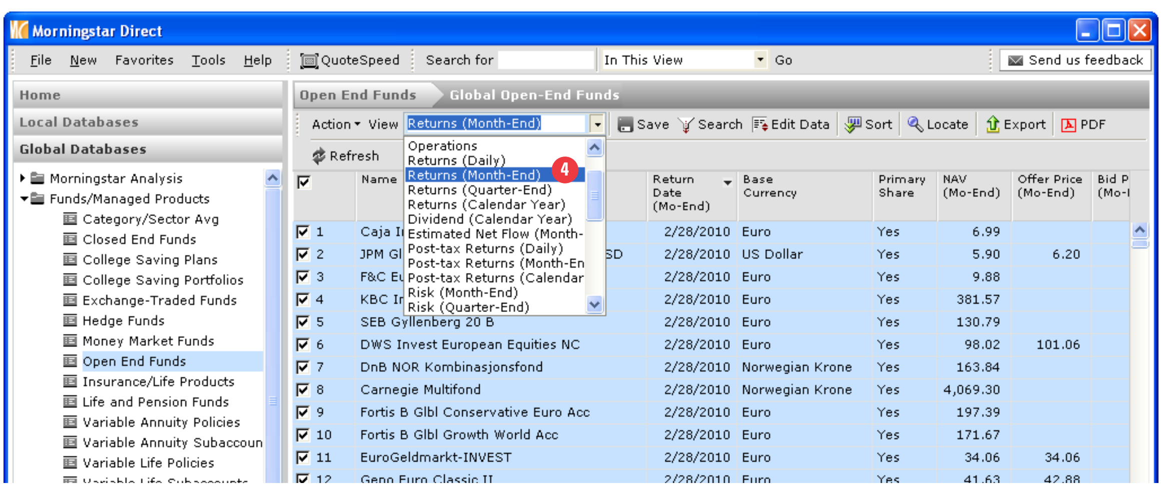
1. Click on the *folder* name to reveal its sub folders.



2. Click on the *sub folder* to see its contents and files on the right side.

3. Click on the *file* to access its content in the grid view.

4. In the grid view, you can toggle to any pre-defined data points to populate your list. See Custom Data Sets and Calculations chapter for detail.



Folder Definitions

Home

The Home page contains may “apps” that help you stay informed with product, training, definitions, data, market commentary, research updates, and more.

Local Databases

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

Performance Attribution

Performance Attribution provides access to micro attribution to explain the impact of investment decisions and macro attribution to explain the impact of the portfolio decision maker’s contribution to performance in the selection of investment managers and the allocation of assets to each manager versus the strategic asset allocation policy.

Performance Reporting

Performance Reporting is specifically designed to monitor performance of quantitative and qualitative factors of a group of investments. You can also create investment scorecards to assign weights and create custom criteria of quantitative and qualitative factors to calculate an overall score.

Portfolio Management

Portfolio Management is specifically designed to create and manage your aggregates and position accounts. Once aggregates and position accounts are created, they can then be applied to various Morningstar Direct analytics, such as Performance Attribution, Presentation Studio and more. Aggregates and position accounts can also be applied to Strategies and Models located in the Portfolio Management folder. Create various strategies and apply models with applicable position accounts.

Fund Flows

The Fund Flows enables you to stay current with market trends by providing a comprehensive and timely picture of total net assets and estimated net flows across various market places.

Presentation Studio

Presentation Studio allows you to create reusable templates for entirely custom presentations, reports, and fact sheets that reflect your company branding. You have full control over both the content and format of your reports, enabling you to tell your story with professionally designed tables and charts.

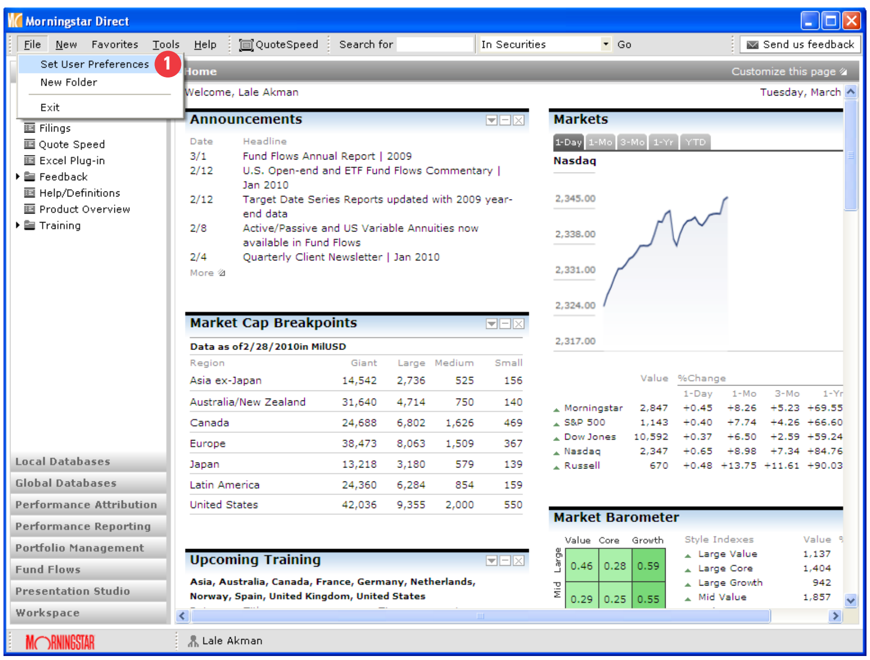
Workspace

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

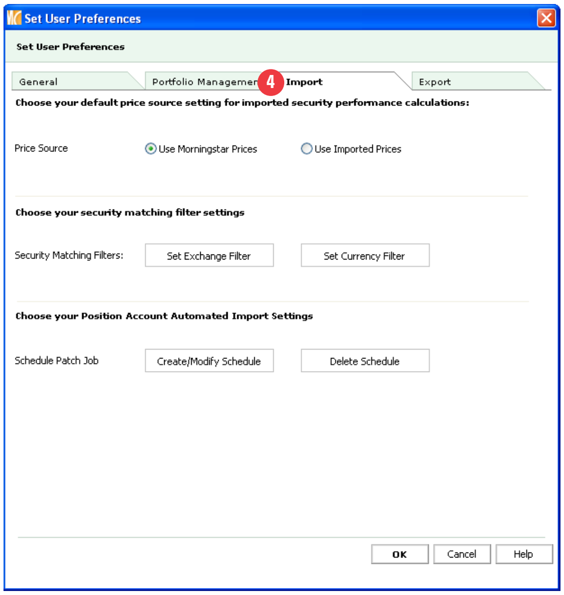
User Preferences

Global Settings in the *File* menu define settings on the application level.

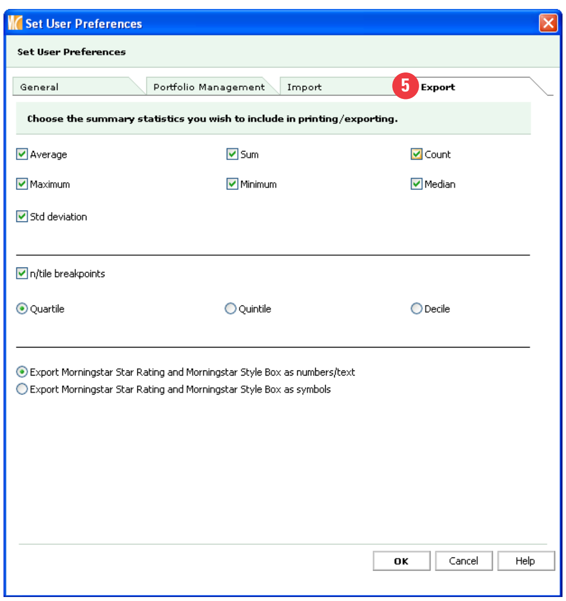
1. Go to File and click on *Set User Preferences*.



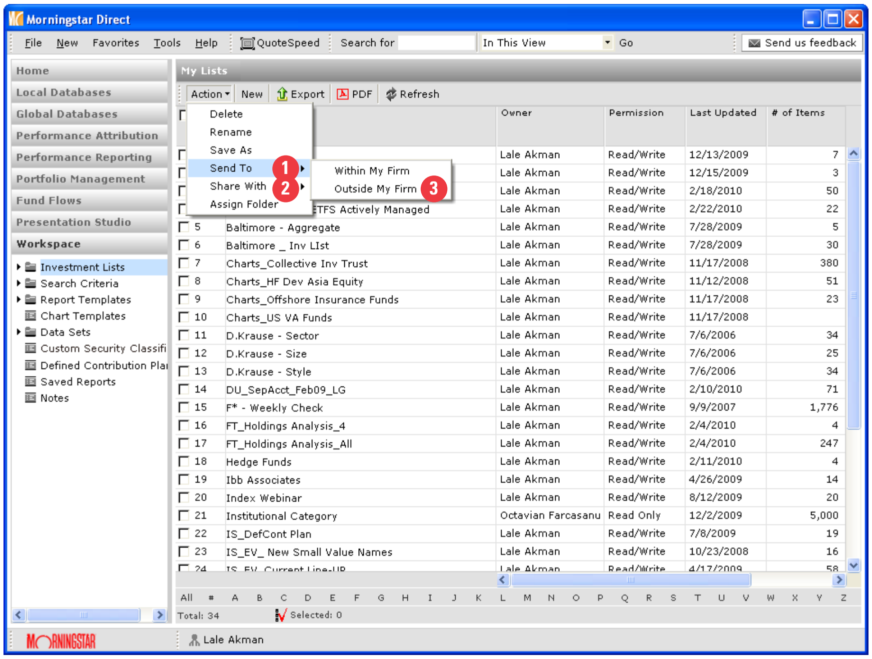
2. Go to the *General* tab to change the default data universe, PDF page size, PDF orientation, benchmarks, risk-free proxy, and more. Choosing to display extended performance will set Morningstar Direct to include extended performance in investment returns. Extended performance simulates performance prior to inception by using the returns of the oldest share class and modifying them with the expense ratio of the subject share class.



3. Go to the *Portfolio Management* tab to set your Performance Calculation and Portfolio Organization settings.



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



5. Go to the Export tab to customize your Summary Statistics settings when exporting your information from Morningstar Direct to Microsoft Excel. You can also define your settings when exporting Morningstar Star Rating and Morningstar Style Box as numbers/text.

Sharing and Sending Files

In Morningstar Direct, you have the ability to send or share your files with another Morningstar Direct User.

1. Sending a file gives the recipient their own version of the file and any changes they make will not affect the original.

2. Sharing files allow you to give the recipient read/write access, in which any changes they make to the file will be reflected in your original file. Read-only access is also available where the recipient cannot make changes to original file.

3. Whether you share or send your files, you can select Within My Firm or Outside My Firm. Both sharing and sending files are located in Workspace. You can also send files from the various applications such as Presentation Studio, Performance Attribution, and Performance Reporting.

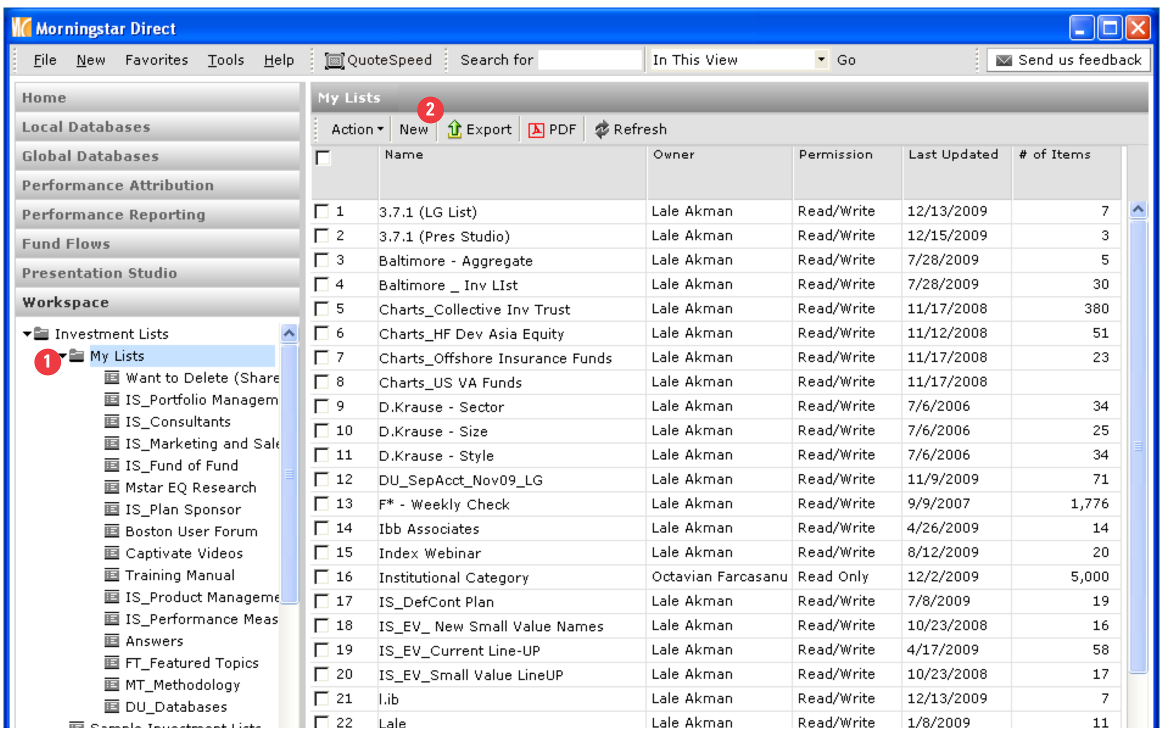
Investment Lists

An Investment List is a saved set of investments whose members do not change unless you edit the list. Investment Lists are used for performance reporting, peer analysis, and other tasks that require repeated analysis of the same investments. Once saved, they reside in the Investment List folder under Workspace.

You can define the membership of your list in one of four ways:
Create a list with Name/Ticker/ISIN/CUSIP/SecId
Create a list with user defined parameters
Merge an existing list into a new investment list
Import a list of investments from Microsoft Excel

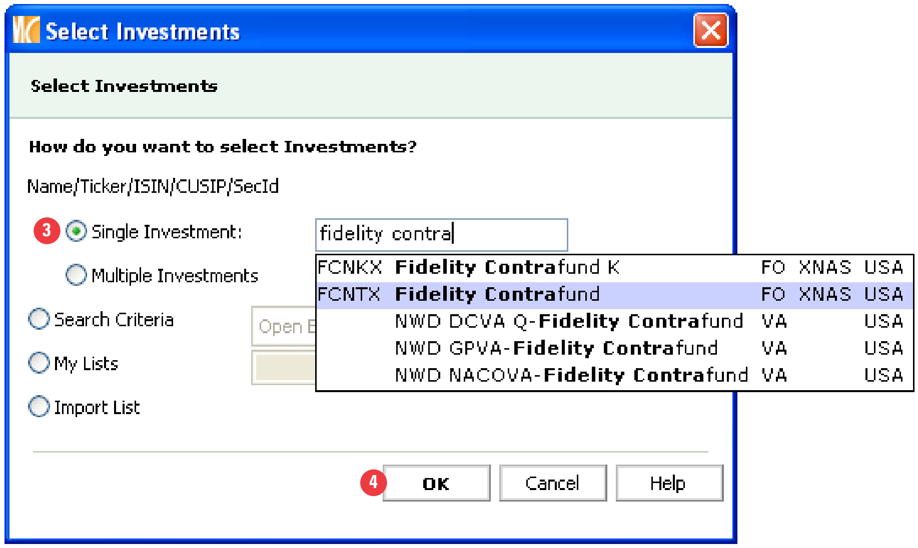
Create a List with Name/Ticker/ISIN/CUSIP/SecId

1. Go to the Workspace and click on *My Lists* in the Investment Lists folder.



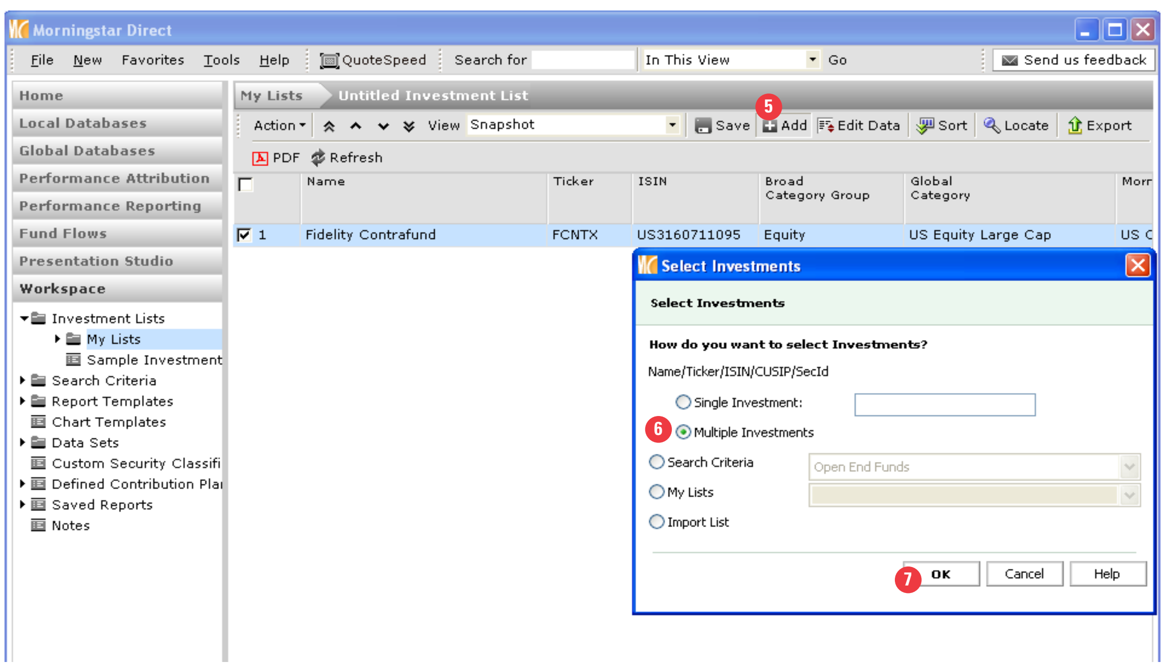
2. Select *New* and you will be taken to the Select Investments dialog box.

3. Under Name/Ticker/ISIN/CUSIP/SecID, Single Investment is the default. Start typing *Fidelity Contrafund* in the text box to quickly look up this single investment.



4. Once you select Fidelity Contrafund and click *OK* to add to your investment list.

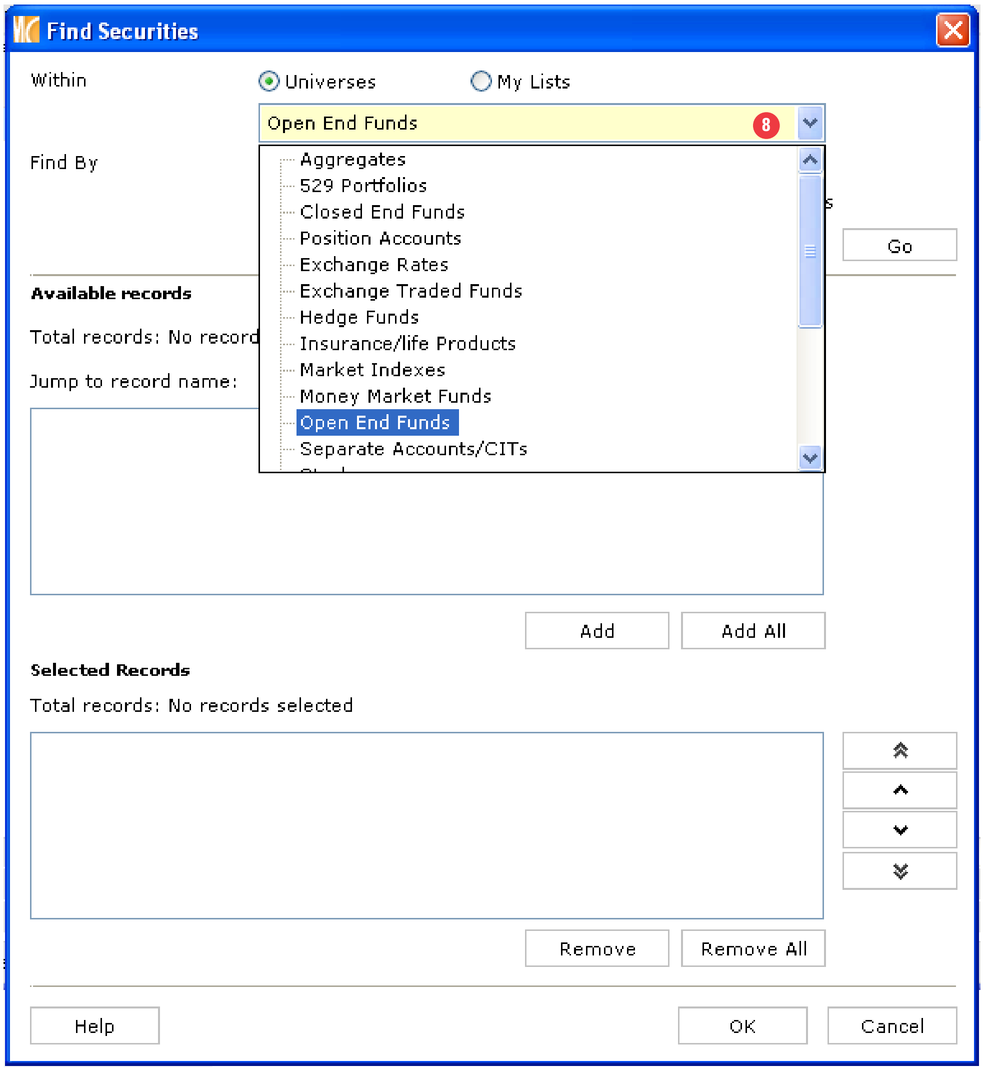
5. Next, click *Add*.



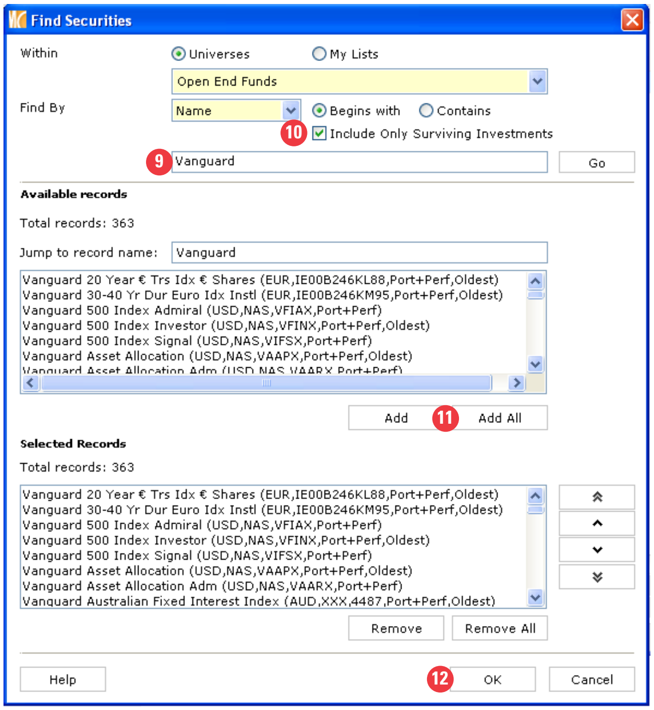
6. Select *Multiple Investments* under Name/Ticker/ISIN/CUSIP/SecId.

7. Click *OK* and you will be taken to the Find Securities dialog box.

8. The default Universe will be driven by your User Preferences. Click on the *Find By* drop down to view the other databases you have access to.



9. In the text box, type *Vanguard* and click Go.



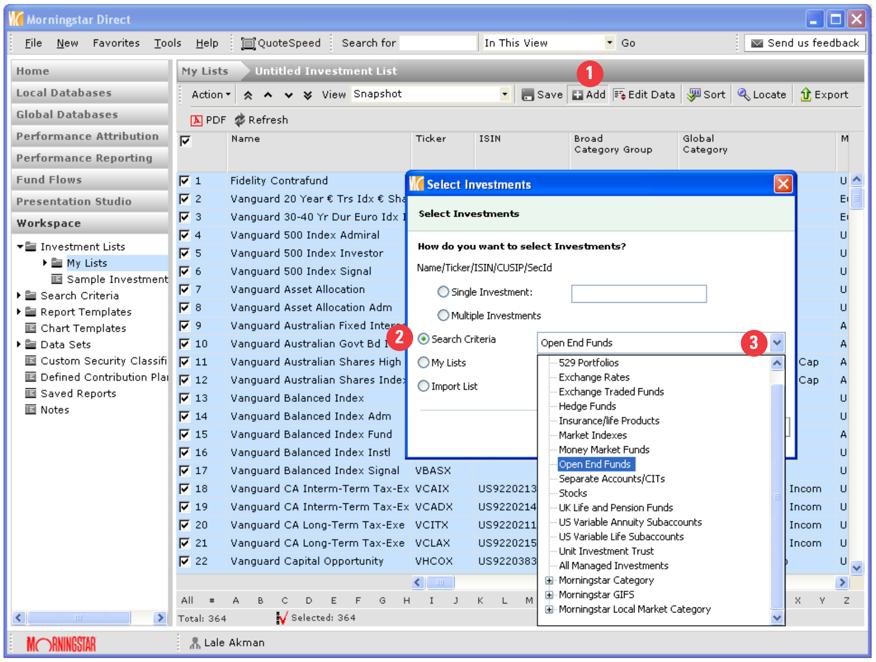
10. By default, surviving or active investments will be displayed. To include obsolete investments, you can uncheck *Include Only Surviving Investments*.

11. You can locate a few Vanguard funds or click Add All to add all available records to the Selected Records box. Click *Add All*.

12. Click *OK* to add these names to your Investment List.

Create a List with User Defined Parameters

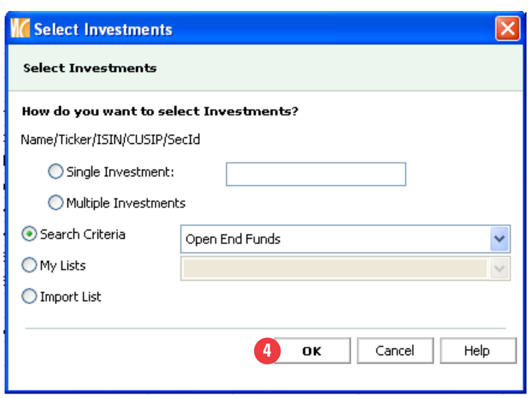
1. To continue to build the investment list, we will create a member list based on specific parameters. Click *Add*.



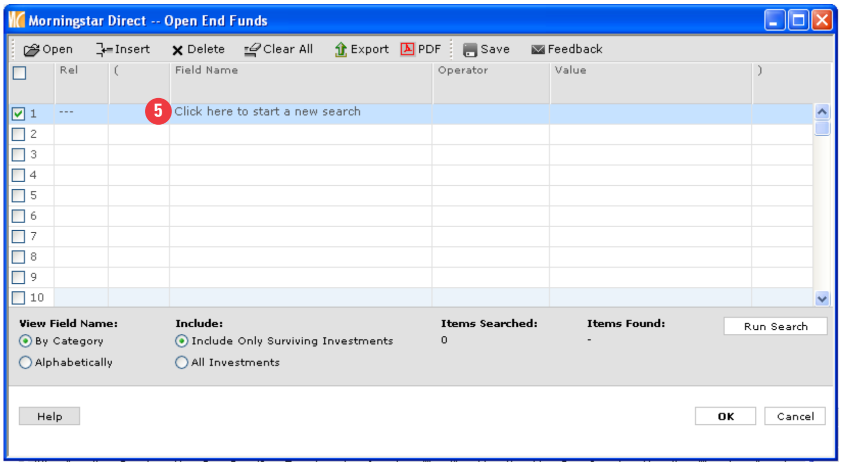
2. Select *Search Criteria* from the Select Investments Dialog box.

3. The default universe will be driven by your User Preferences. Click on the *Search Criteria* drop down to view the other databases.

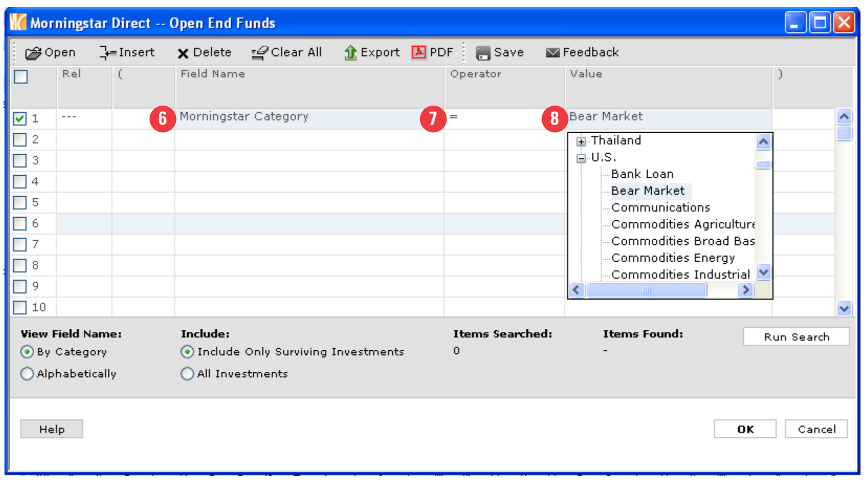
4. Click *OK* and you will be taken to the Search Criteria dialog box.



5. Press *Click here to start a new search.*



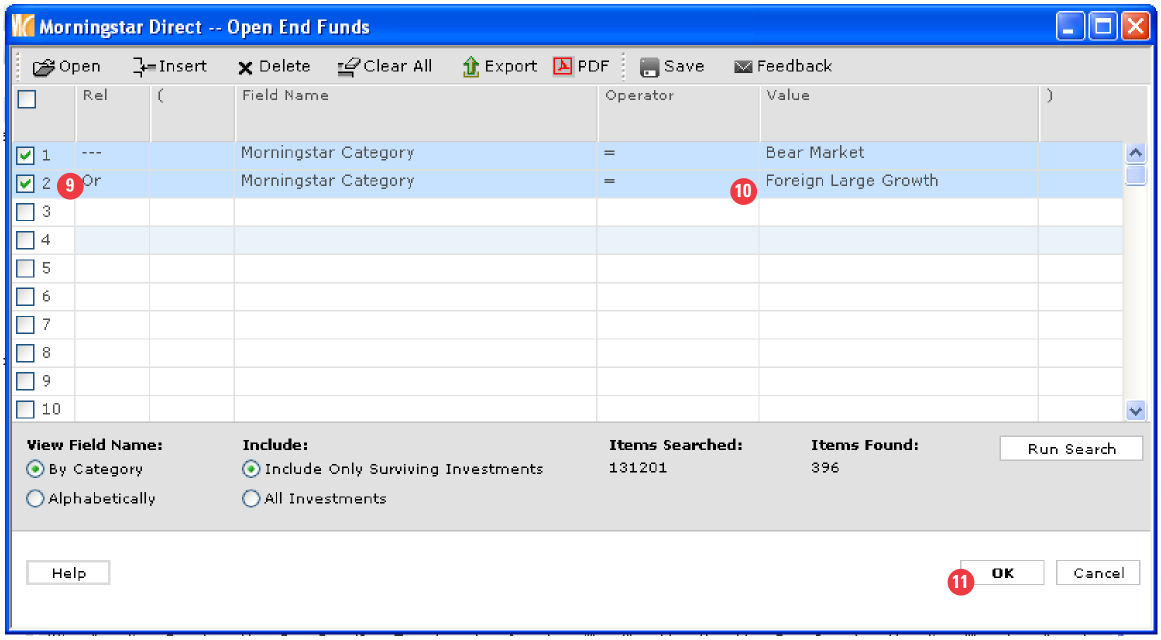
6. Go to the Field Name column and select *Morningstar Category* under Snapshot.



7. Go to the Operator column to identify your Value. Click =

8. Go to the Value column and locate the U.S. Category. Click *Bear Market.*

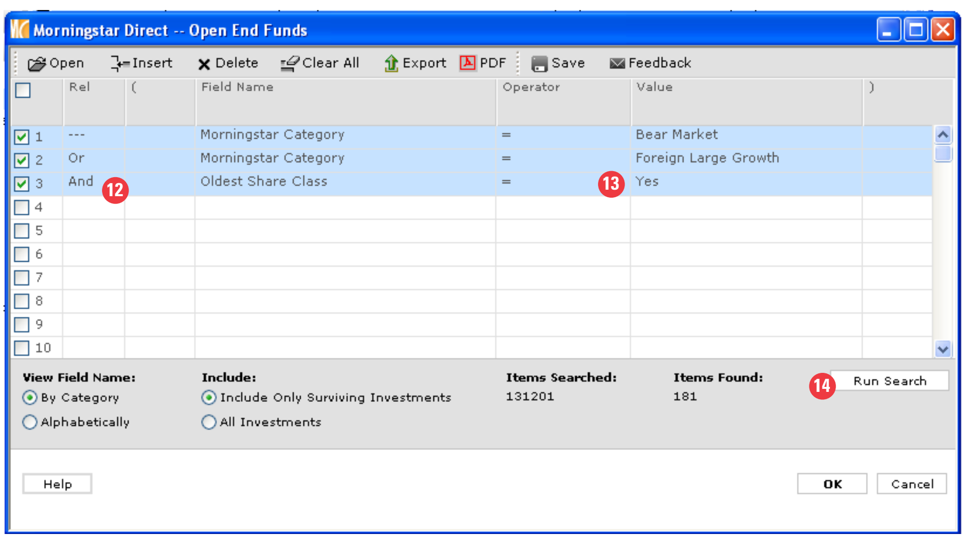
9. We will continue with our search by retrieving names from an additional Morningstar Category. Go to Line 2 and in the Rel column, select *Or* which will allow us to look for investments in another Morningstar Category. The *And* choice would not be applicable because an investment cannot be in more than one category.



10. Follow steps 7 and 8 and retrieve names from the *Foreign Large Growth* category.

11. Click *Run Search* to preview the number of investments meeting the search criteria.

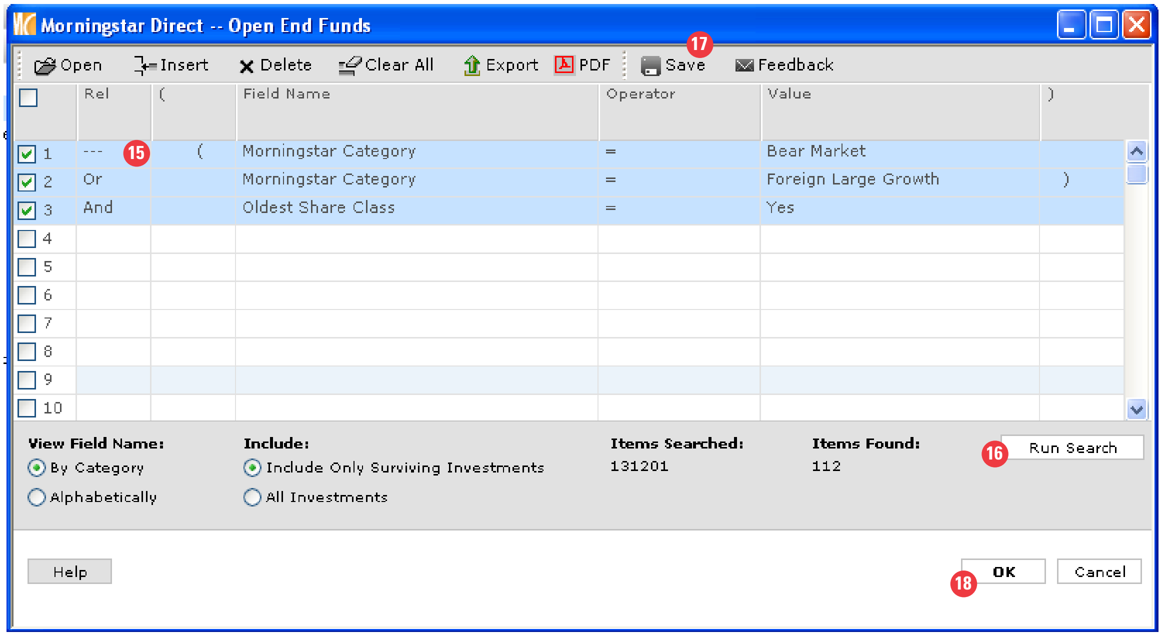
12. Go to line 3 and select *And* under the Rel column.



13. Proceed to locate *Oldest Share Class* (Snapshot) for the Field Name and then select the = operator to input Yes in the Value column.

14. Click *Run Search* . The new Items Found represents those funds in the Bear Market category and those funds in the Foreign Large Growth category with oldest share class.

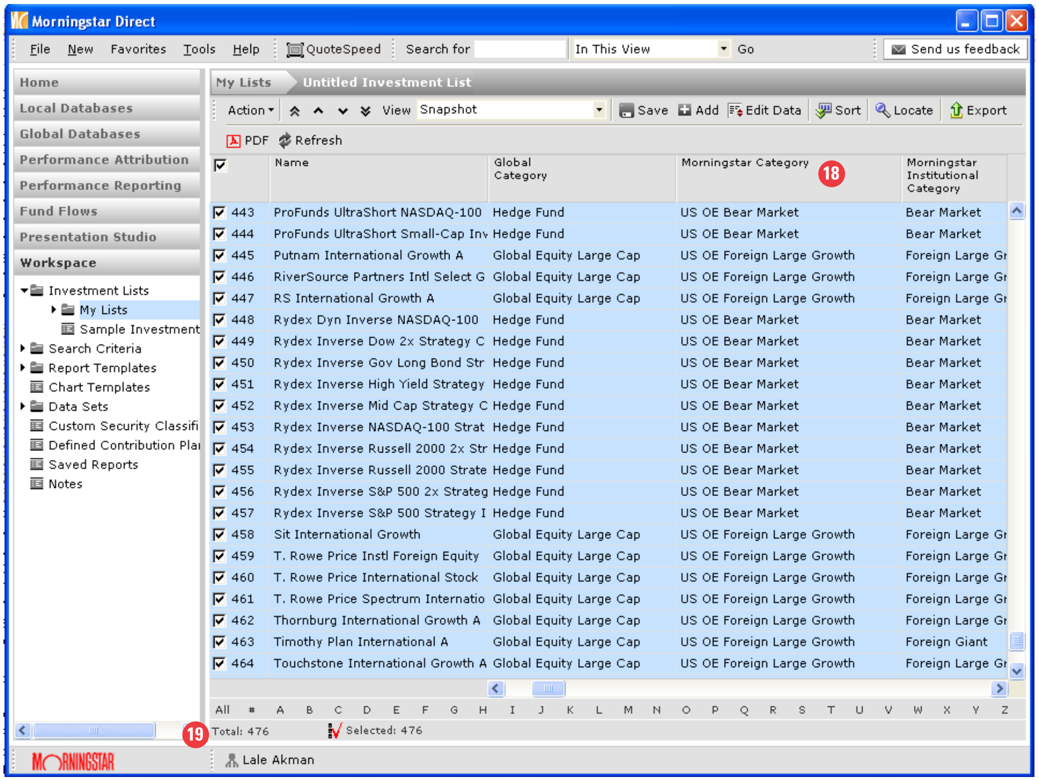
15. To identify Older Share Class for both categories, input "(" on line 1 and ") " on line 2.



16. Click *Run Search* to view the number of Items Found. The results now reflect the oldest share class of Bear Market funds in addition to Foreign Large Growth funds.

17. You can click *Save* to save the search in the Search Criteria Folder. This is an option if you want the list to automatically get refreshed in the Search Criteria folder.

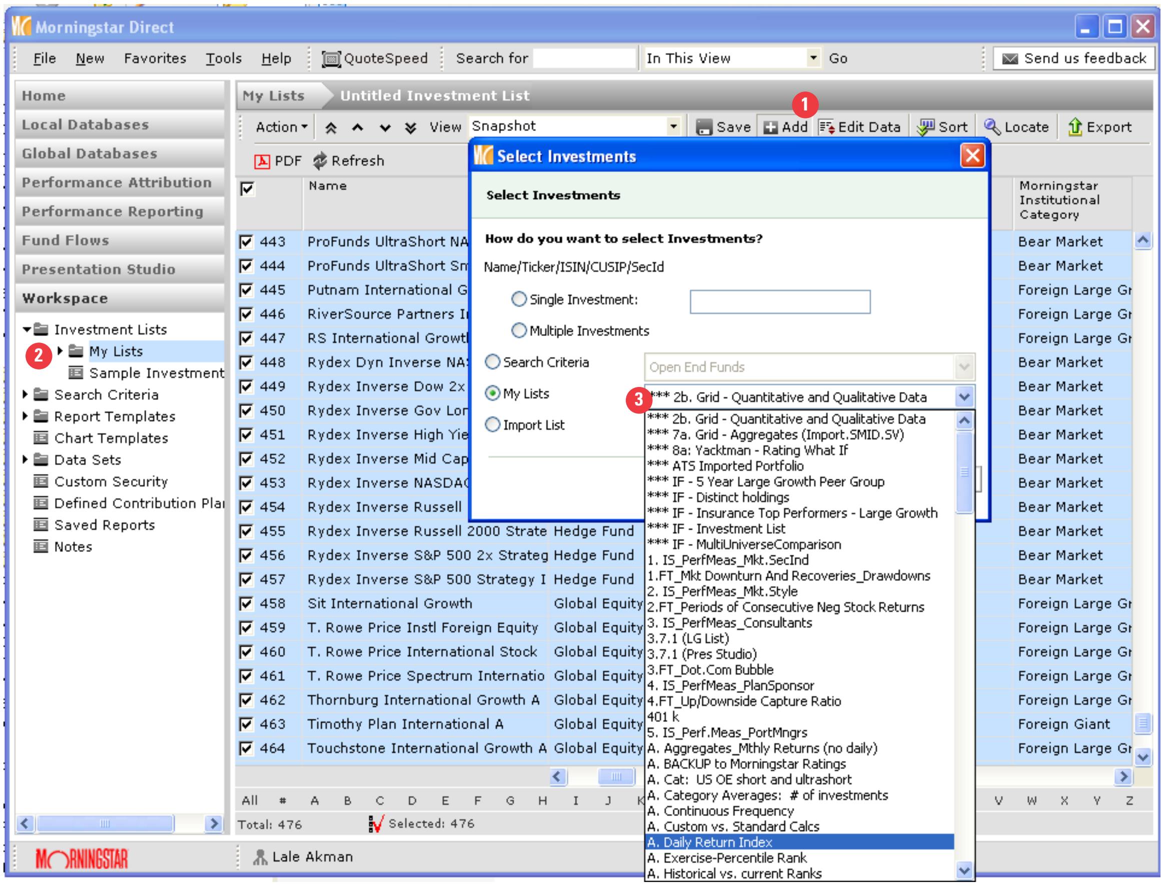
18. Click *OK* and your Items Found will be added to your existing Investment List. These search items will not get refreshed in the Investment List folder since all members in the Investment List remand static unless you manually remove them or they become obsolete.



19. As you continue to build your investment list, the total number of members will be reflected on the bottom left-hand corner in your grid view.

Merge an Existing List to New Investment List

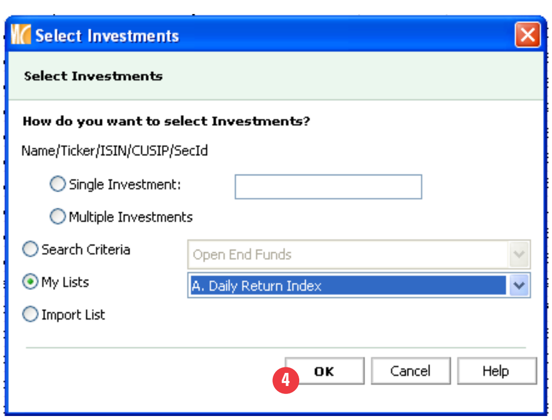
1. To continue to build the investment list, you can merge an existing list to your current list. Click *Add*.



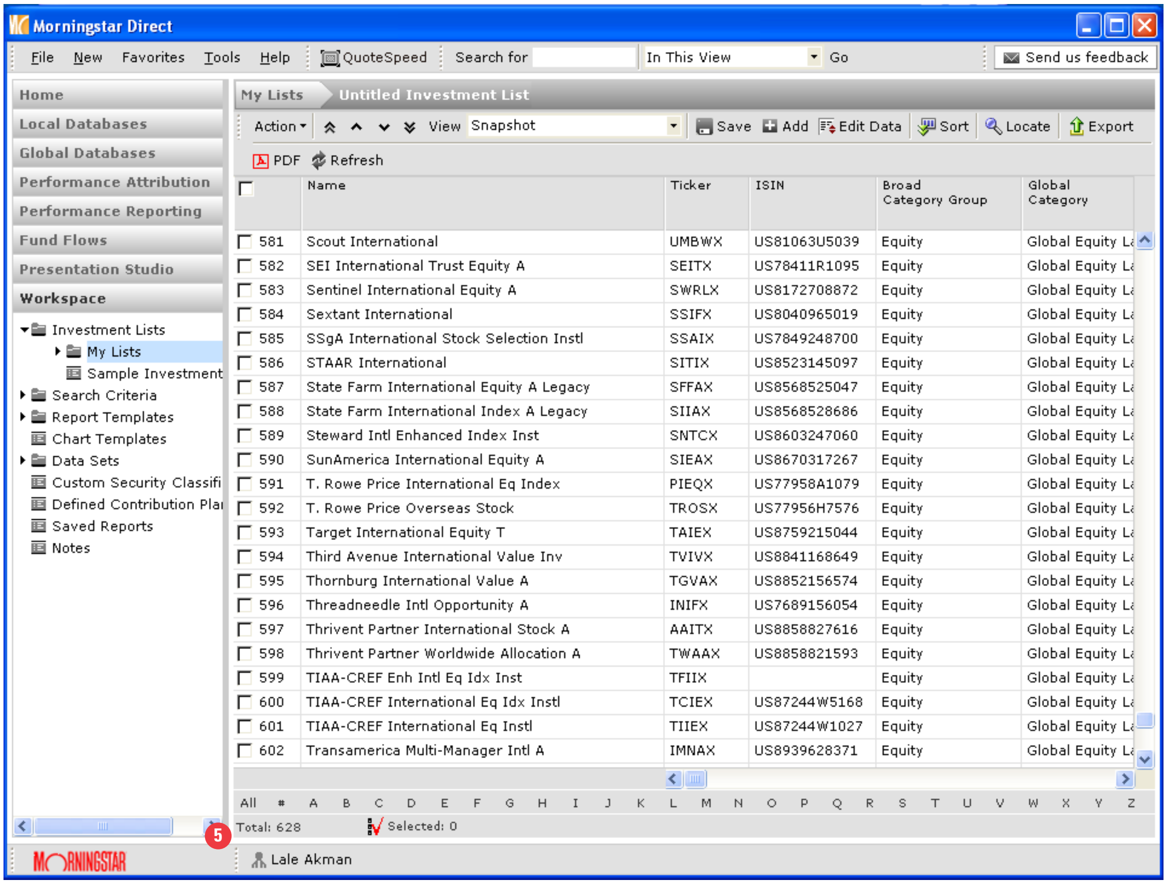
2. Select *My Lists* from the Select Investments Dialog box

3. From the My List drop down, select your investment list.

4. Click *OK* to add the existing list to your current list.

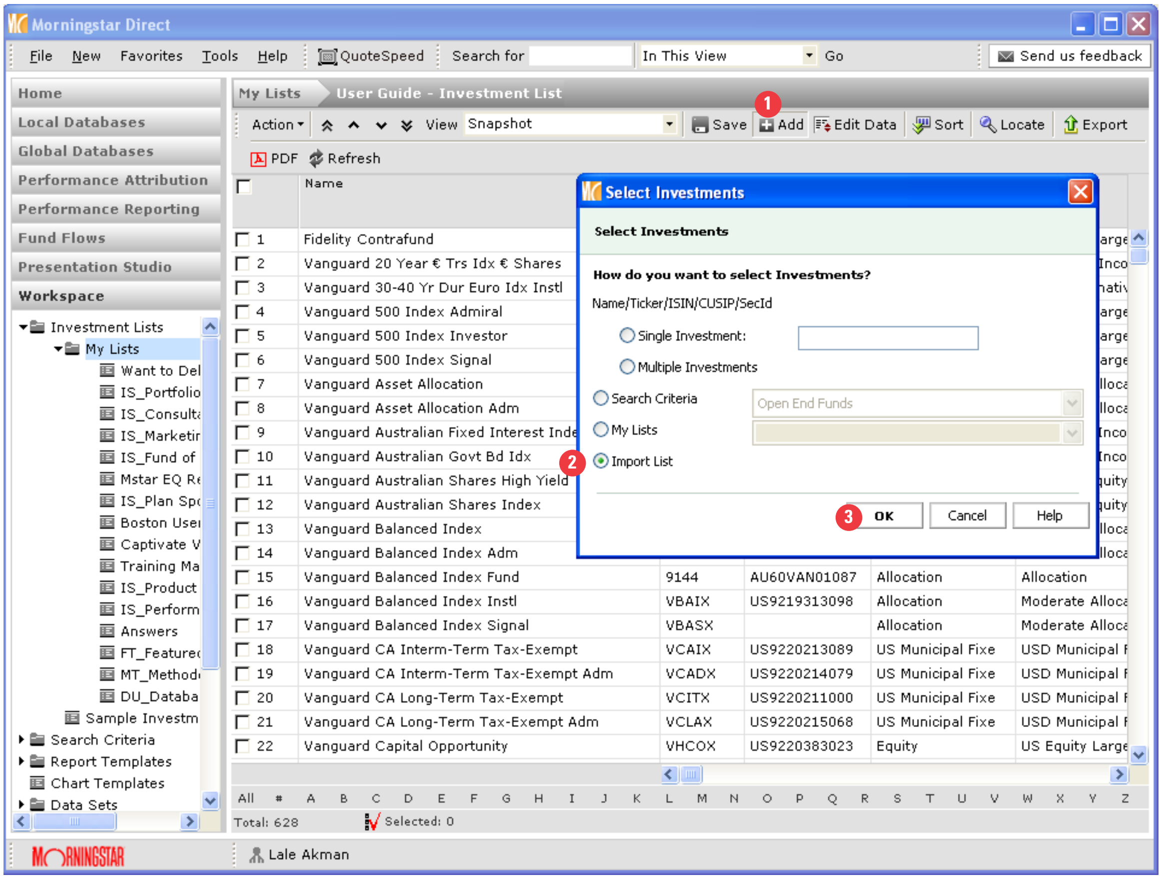


5. You've now successfully merged an existing investment list with your new investment list as indicated by the updated number in the bottom left-hand corner.



Import a List of Investments from Microsoft Excel

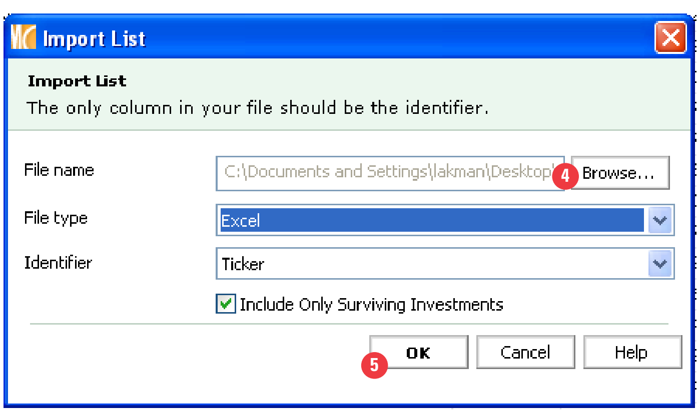
1. To continue to build the investment list, you can import a list from a text or excel file into Morningstar Direct. The identifiers can be Ticker, Cusip, ISIN, or SecID. Click *Add*.



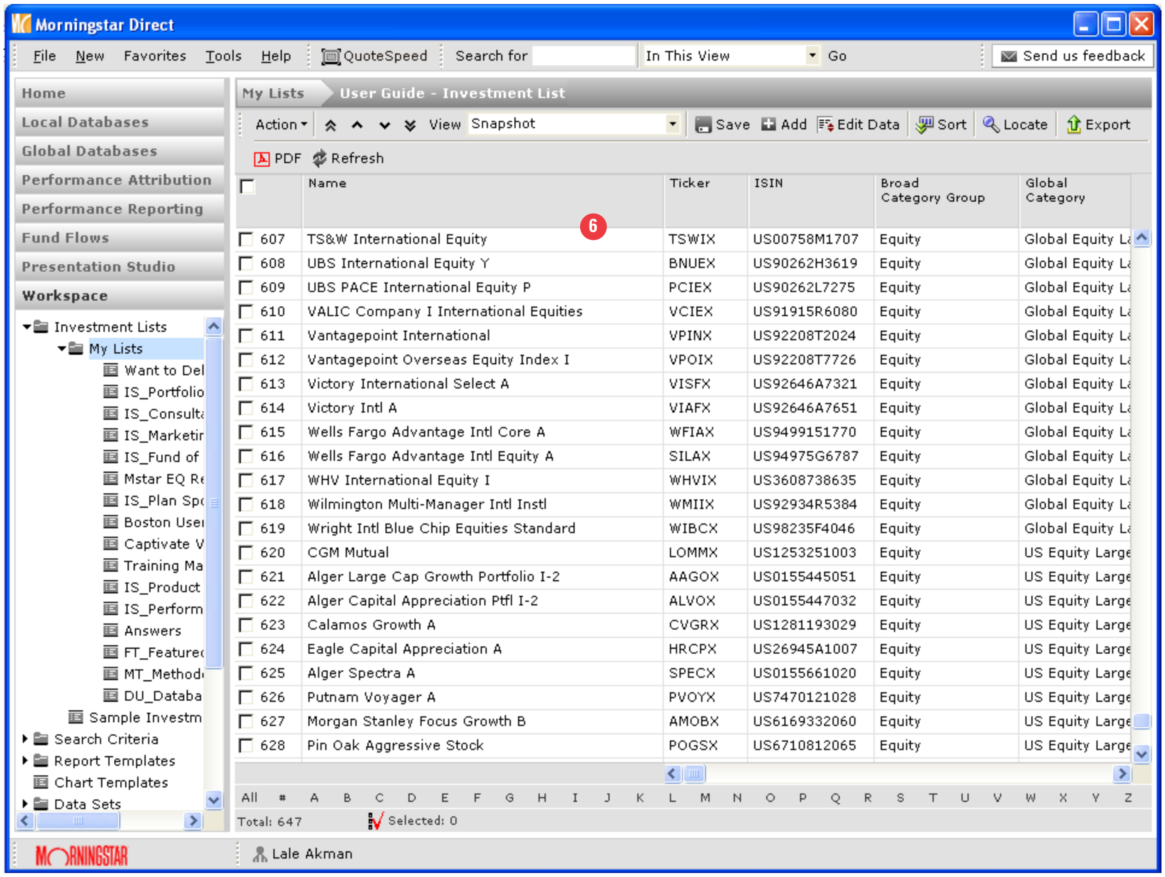
2. Click *Import List* in the Select Investments Dialog box.

3. Click *OK*.

4. *Browse* for your file to select the appropriate file type and Identifier.



5. Click OK and your imported list will be added to your grid view, as indicated by the updated number in the bottom left-hand corner.



6. You have now successfully imported a list to your current list.

Search Criteria

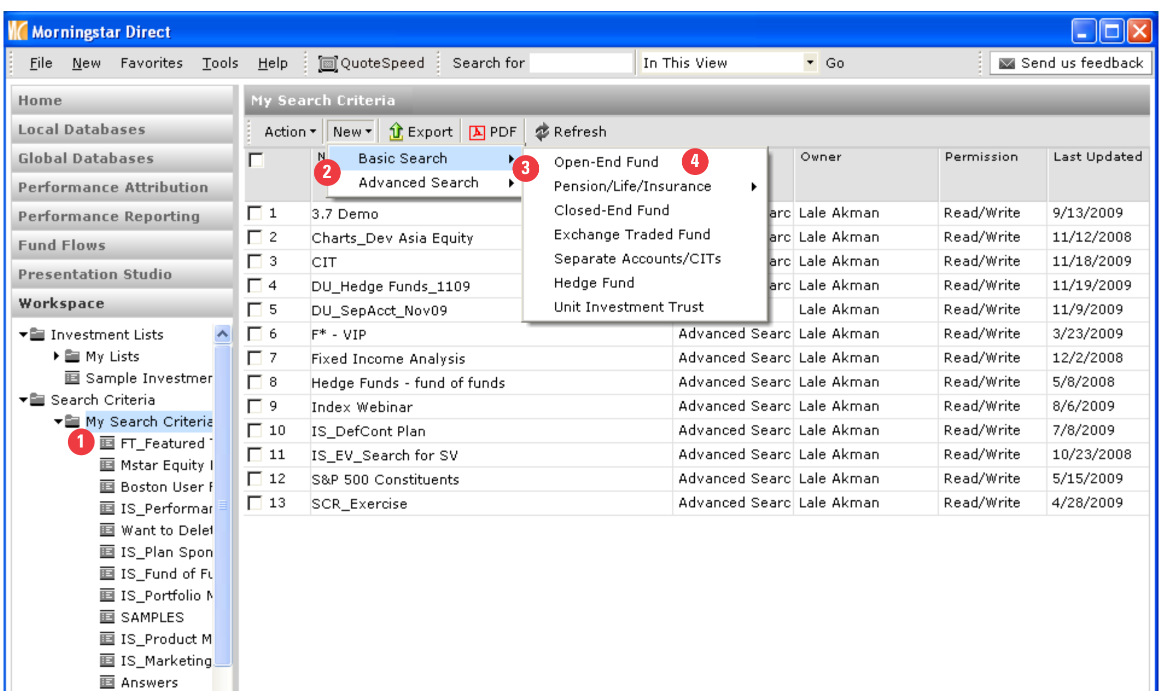
Search criteria generates a set of investments that currently match the criteria you have defined. Each time the file is retrieved from the Search Criteria folder, the members are redefined using your current parameters. Therefore, the members are a dynamic list. Once saved, the search criteria list will remain in the Search Criteria folder under Workspace.

There are two ways to create a search:
Basic Search
Advanced Search

When you create your search, you can also save these members as an Investment List for future analysis. Those members in the Investment List become static whereas those members in your Search Criteria List remain dynamic.

Create a Basic Search

1. Go to the Search Criteria folder and click on *My Search Criteria*.

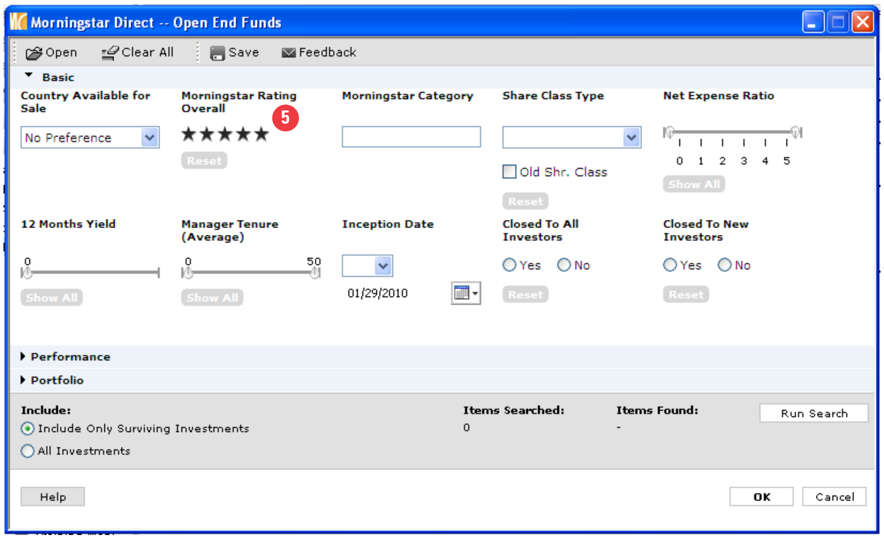


2. Go to New and select *Basic Search*.

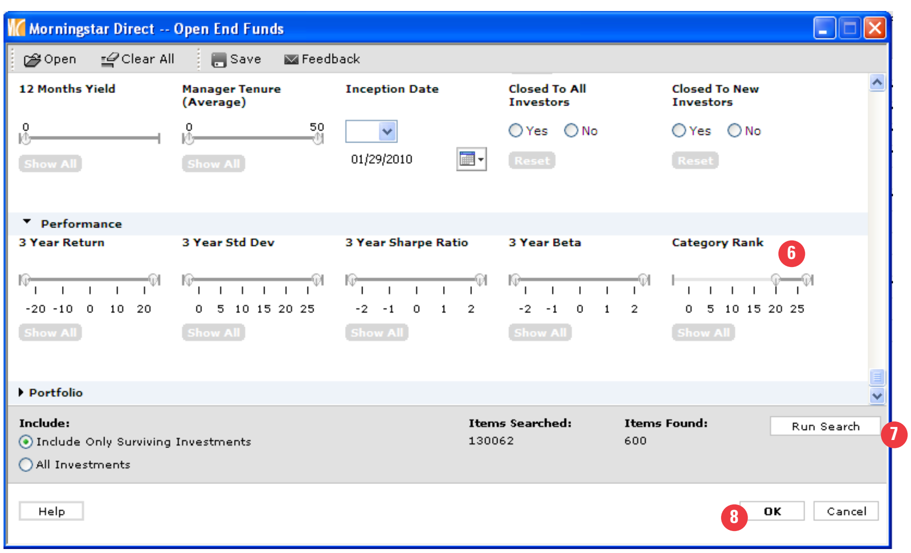
3. To the right of Basic Search, you will see the universe choices.

4. Click on *Open End Funds* to be taken to the Basic Search Dialog box.

5. You can quickly search for your investments using Basic, Performance, and Portfolio parameters. Click 5-Star *Morningstar Rating Overall* under the Basic section.



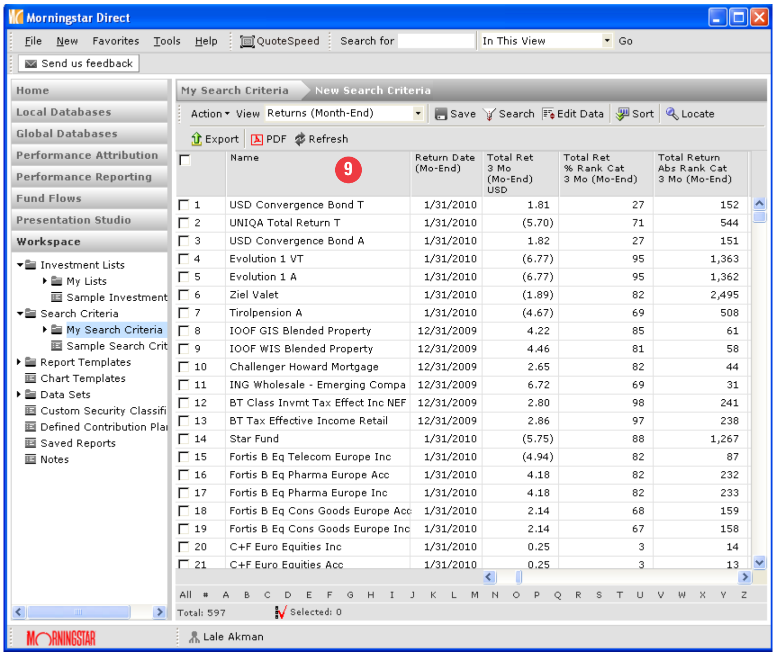
6. Go to the Performance section and select *20 Category Rank* for 3 Year Return.



7. Click *Run Search* to preview the number of investments meeting the criteria under Items Found.

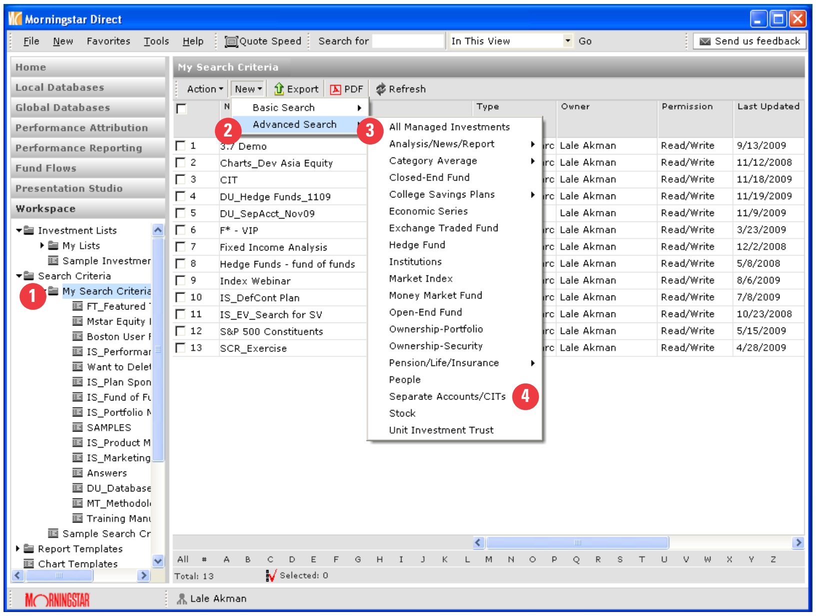
8. Click *OK*.

9. You've successfully completed the Basic Search.



Create an Advanced Search

1. Go to the Search Criteria folder in Workspace and click on *My Search Criteria*.

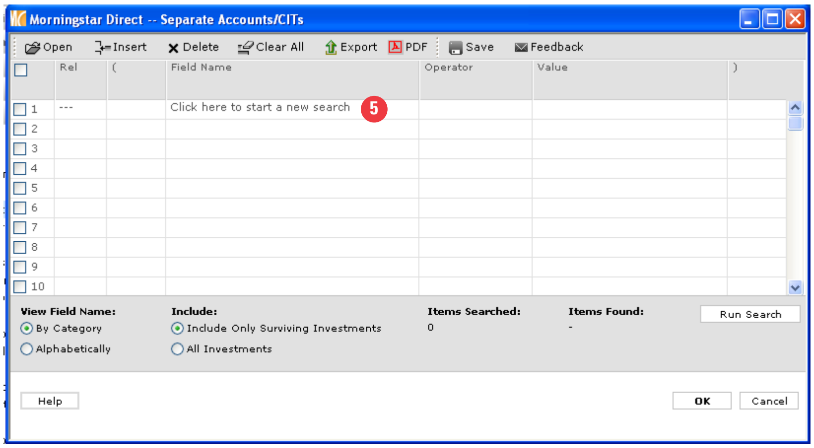


2. Go to New and select *Advanced Search*.

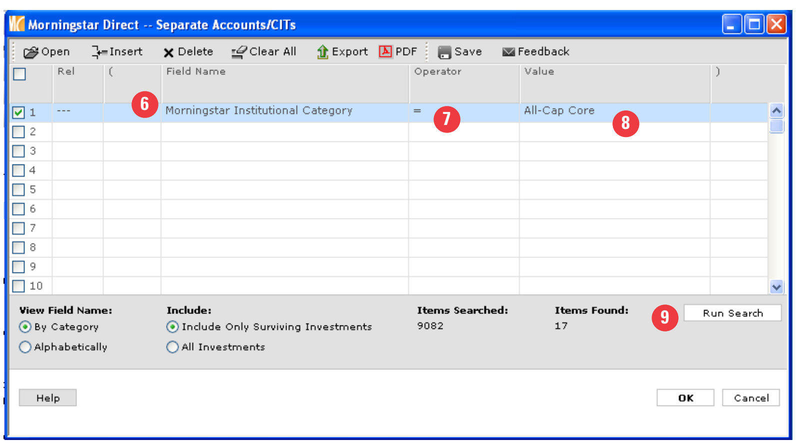
3. To the right of Advanced Search, you will see all the universe choices including All Managed Investments.

4. Click on *Separate Accounts/CITS* to be taken to the Advanced Search dialog box.

5. Press *Click* here to start a new search.



6. Go to the Field Name column and click on *Morningstar Institutional Category* under Snapshot. By default, Field Names are displayed by Category but you can also view them alphabetically.

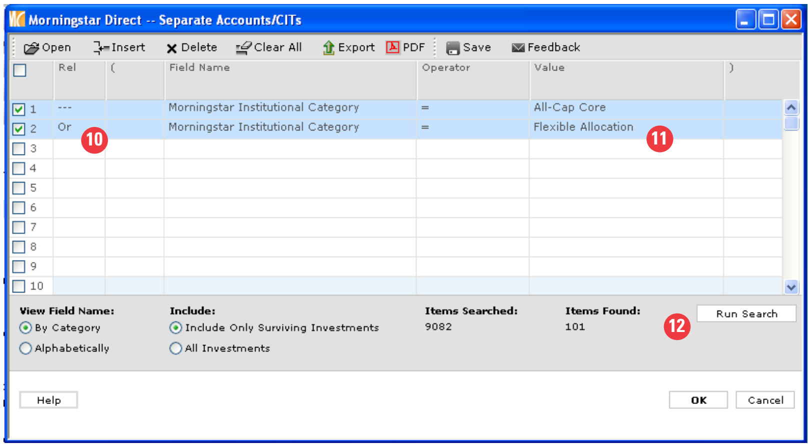


7. Go to the Operator column to identify your Value. Click =

8. Go to the Value column and locate All-Cap Core. Click *All-Cap Core*.

9. Click *Run Search* to preview number of investments meeting the current criteria.

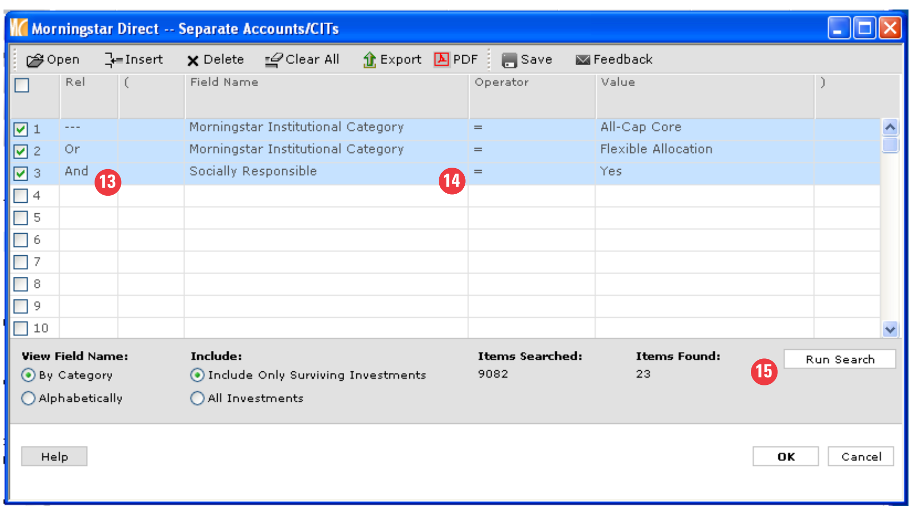
10. We will continue with our search by retrieving names from an additional Morningstar Institutional Category. Go to Line 2 and in the Rel column, select *Or* which will allow us to look for investments in another Morningstar Category. The *And* choice would not be applicable because an investment cannot be in more than one category.



11. Follow steps 6 to 8 and retrieve names from the *Flexible Allocation* category.

12. Click *Run Search* to preview number of investments meeting the criteria.

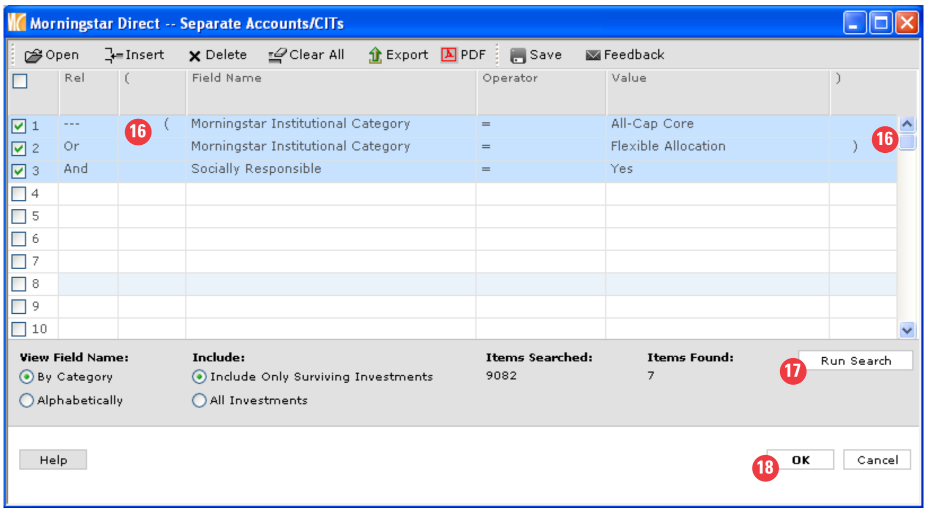
13. Go to line 3 and select *And* in the Rel column.



14. In Field Name column, locate *Socially Responsible* under Firm Ownership Structure and then select the = operator to input Yes in the Value column.

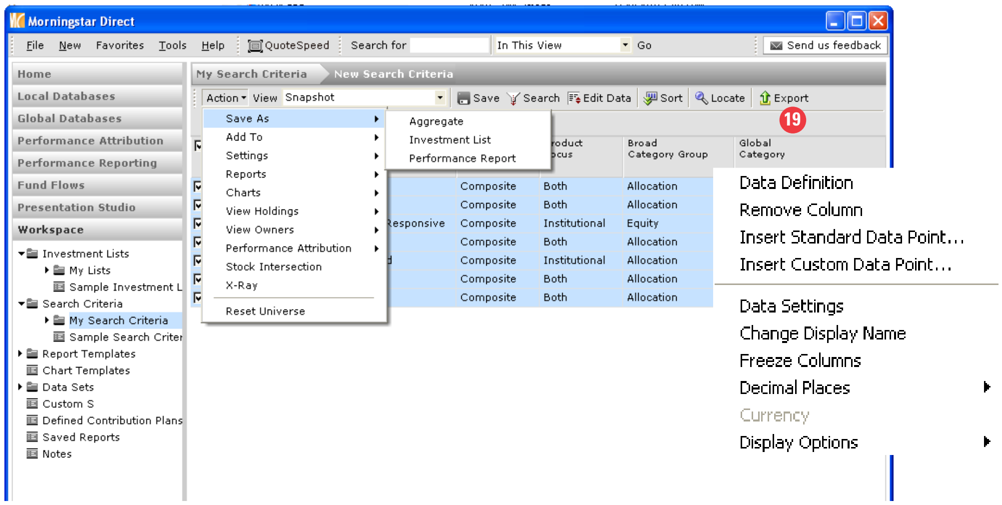
15. Click *Run Search* to preview number of investments meeting the criteria. The new Items Found represents All-Cap Core Separate Accounts/CITS and those Separate Accounts/CITS that are socially responsible in the Flexible Allocation Institutional Category.

16. To identify the socially responsible names for both the All-Cap Core and Flexible Allocation Institutional Categories, input "(" on line 1 and ") " on line 2.



17. Click *Run Search* to preview number of investments meeting the criteria. The New Items found now represents those socially responsible Separate Account/CITs within the All-Cap Core Institutional Category and those within the Flexible Allocation Institutional Category.

18. Click *OK* .



19. You've successfully completed an Advanced Search which will automatically refresh each time you open the file in the Search Criteria Folder.

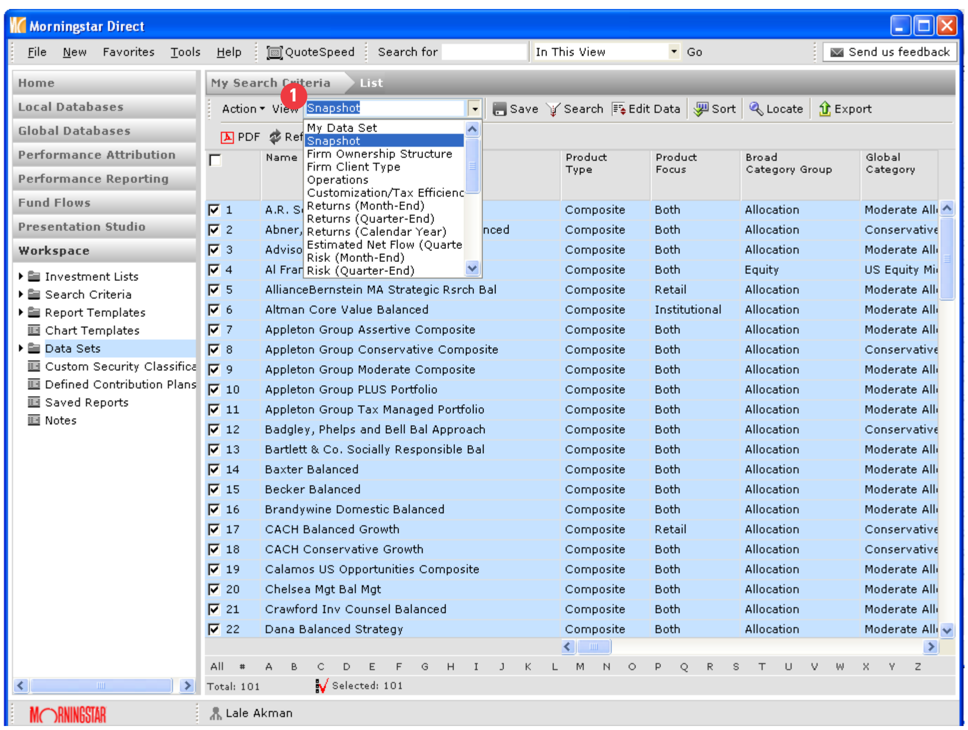
Custom Data Sets and Calculations

A custom data set allows you to assemble only those data points of relevance to your analysis. You have access to standard data points and historical data points. You also have access to custom calculations where you can perform various quantitative measures by identifying user-defined benchmarks and applying various excel calculations in Morningstar Direct.

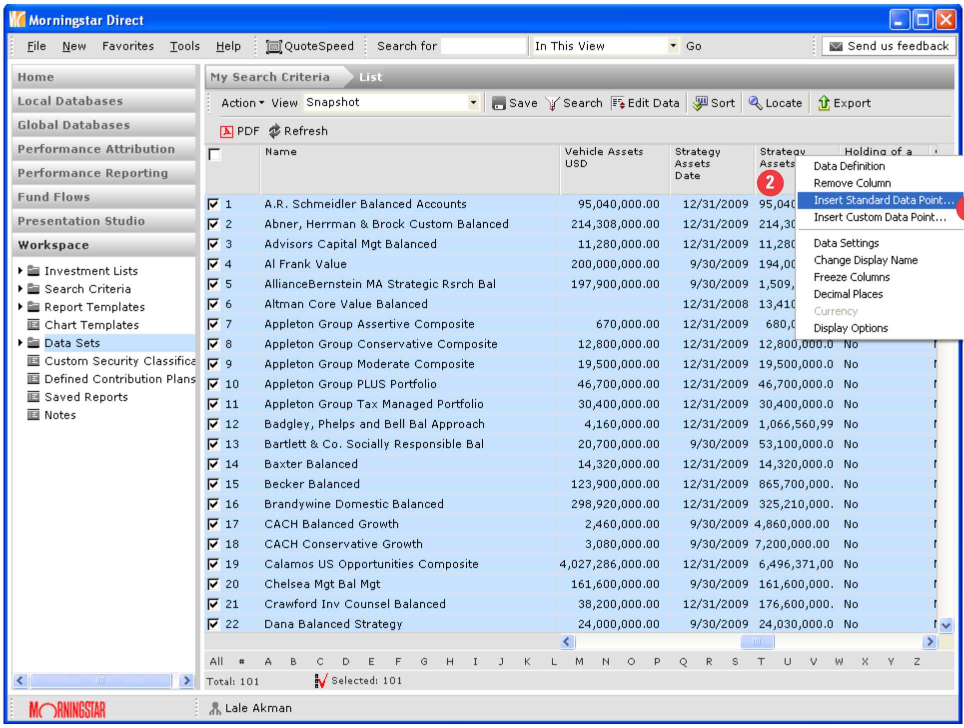
Data sets can be applied to search results and investment lists. Once saved, they reside in the Data Sets folder in Workspace and can be accessed from My Data Sets in the View drop down or from Edit Data.

Create a Custom Data Set

1. You can create a Data Set from an Investment List or Search Criteria. From your list, the view drop-down is available to quickly access pre-defined and user created views.

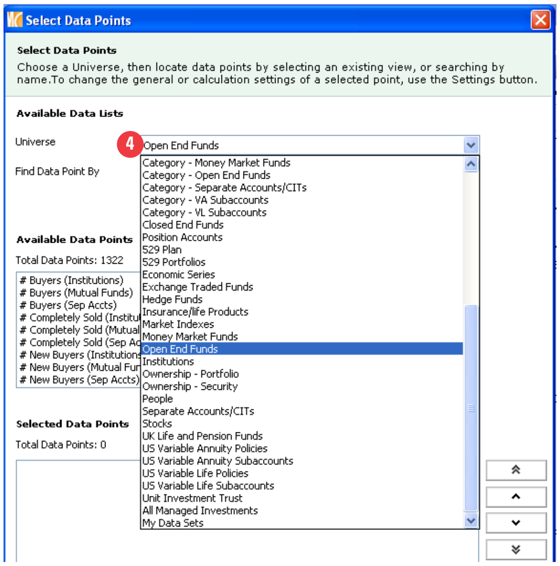


2. Let's begin by creating a user created view. With your mouse, do a *Right Click* on a column heading where you will find the various choices to quickly alter your grid view.

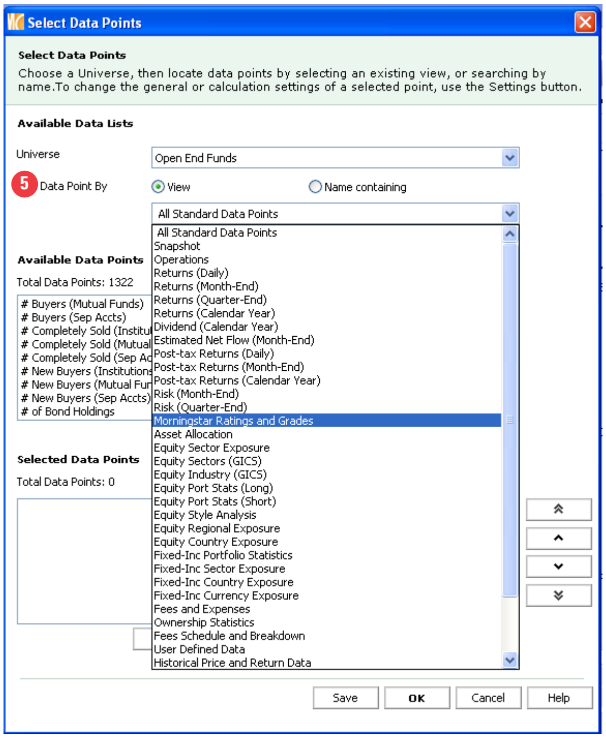


3. Click *Insert Standard Data Point* to insert a data point to the default snapshot view.

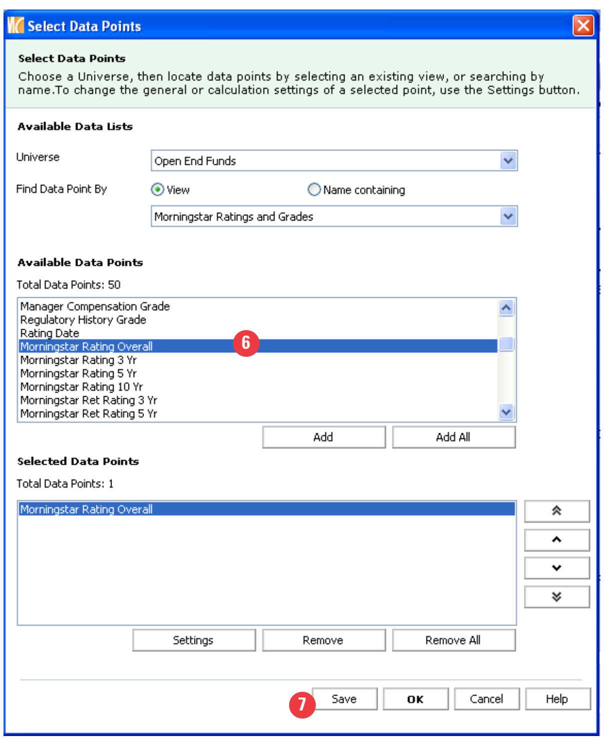
4. Your default universe will automatically populate but you can select another universe from the Universe drop down. *Universes* include investment types, categories, indexes, stocks, and more. Available data points are applicable to their specific universes. Therefore, not all data points apply to every universe.



5. Go to the Find Data Point By drop down and select *Morningstar Ratings and Grades*.

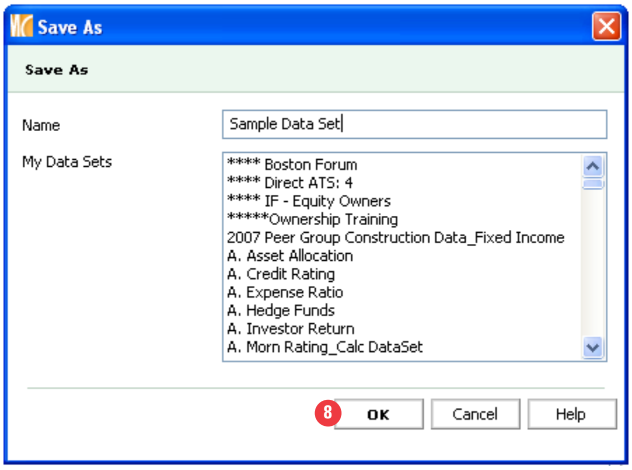


6. Find *Morningstar Rating Overall* and add to the Select Data Points box.

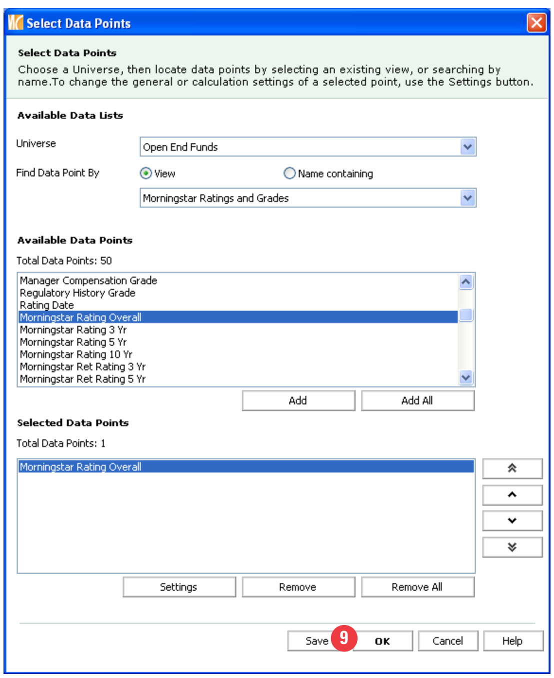


7. Click Save to save this new Data Point to the existing grid view.

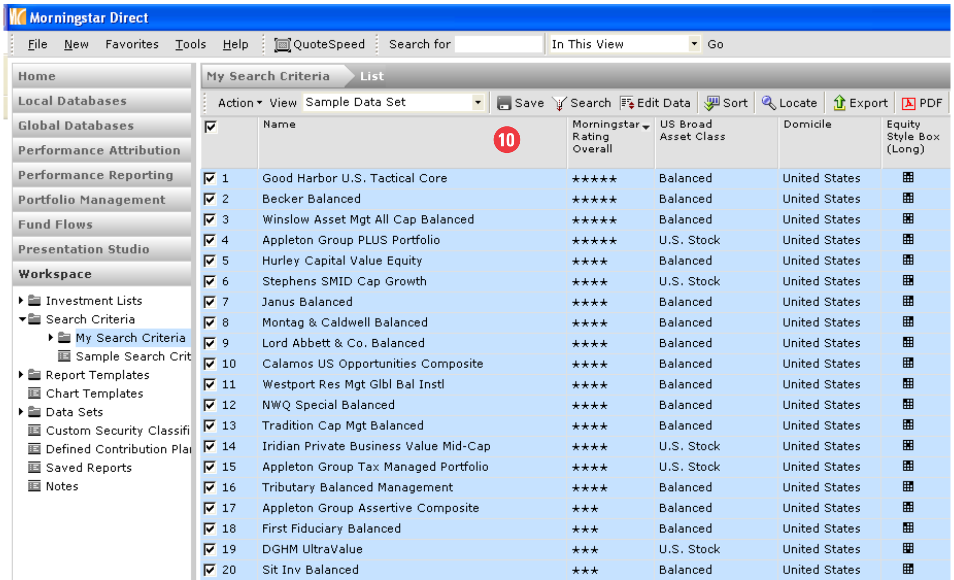
8. After you have named the new data set, you can apply this data template to other list views without having to recreate the data set. Click *OK* to be taken back to the Select Data Points dialog box.



9. Click *OK* to populate the grid view.



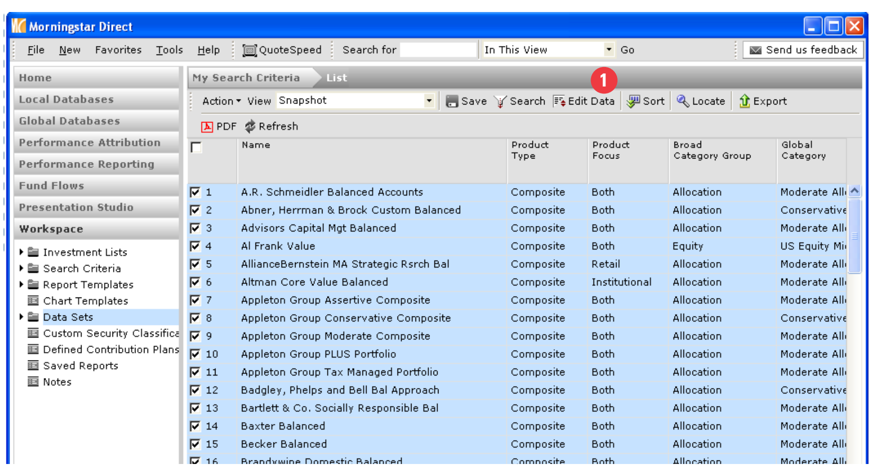
10. You have successfully completed creating a data set where you can apply it to the current list or any other list in the Investment List folder and Search Criteria folder.



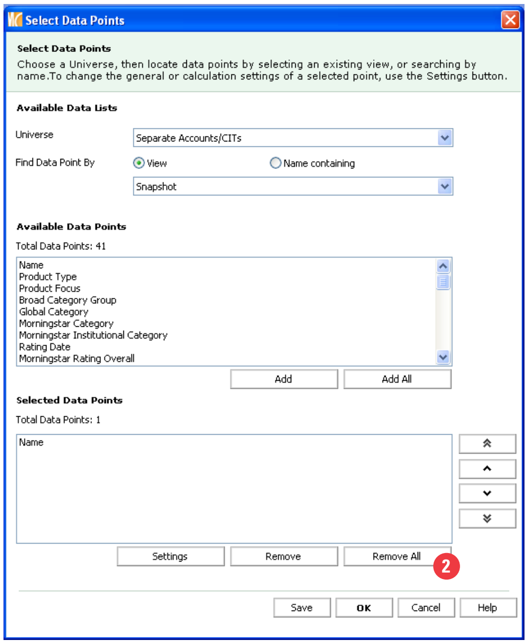
Create a Custom Calculation

Customizing data allows you to add greater precision to your analysis. In this example, we will create 1-, 2-, 3-, 4-, and 5-year trailing Treynor Ratios as of 12-31-2009 and display results as a percentile rank.

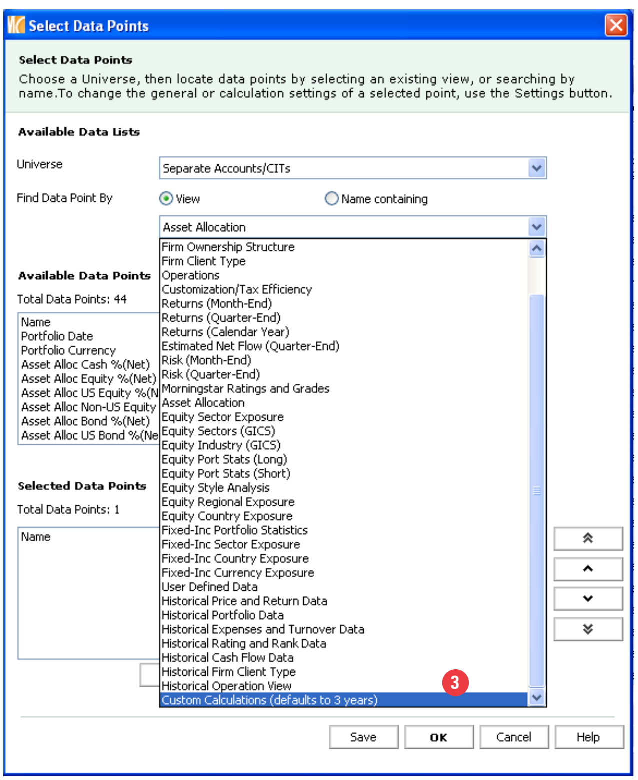
1. Go to your Investment List or Search Criteria and click on *Edit Data*. Alternatively, you can also use the right click option discussed in previous example. Since we will be removing all the current data and replacing it with trailing Treynor Ratios, we will use Edit Data.



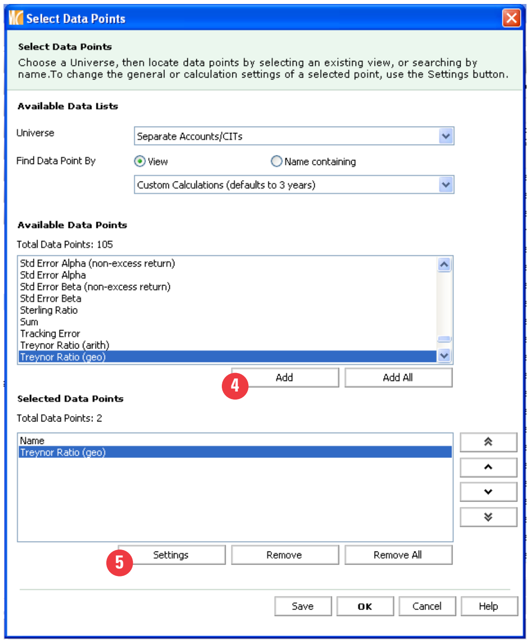
2. Click *Remove All* to remove the default Selected Data Points.



3. Under the Available Data Lists, you will notice your default data list universe will be displayed but you can alter this with the Universe drop down. Go to the Find Data Point By and select *Custom Calculations*.

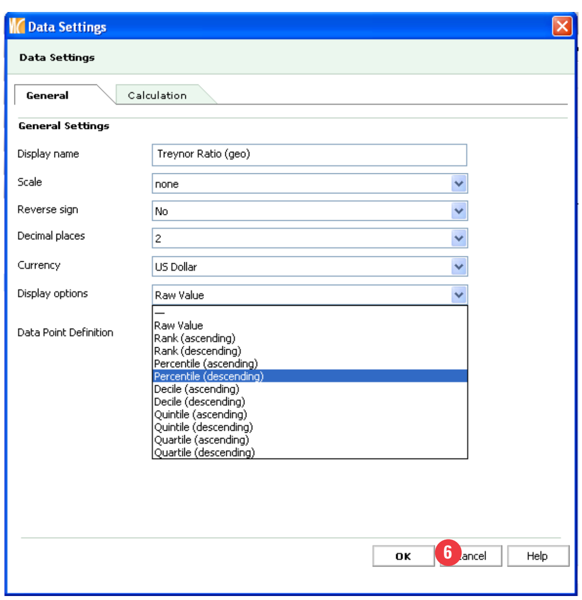


4. Locate Treynor Ratio (geo) and click *Add* (or double click).

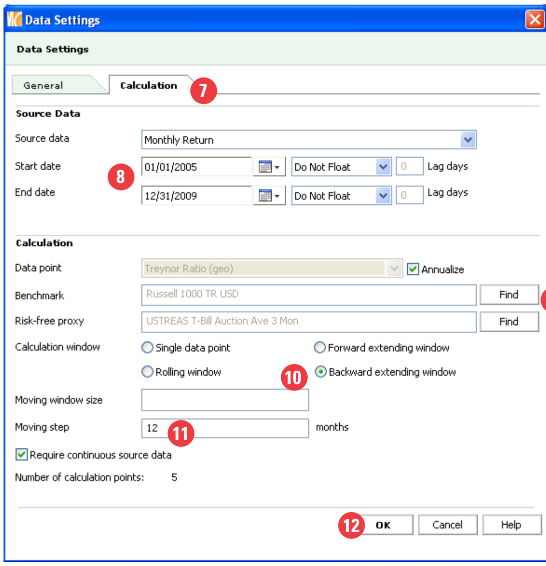


5. Highlight the Treynor Ratio (geo) data point and click *Settings* to open Data Setting dialog box. You can also double click on the data point to be taken to the Data Setting dialog box.

6. Go to the General tab and select *Percentile (descending)* in the Display Options drop down. This will assign the largest value to the lowest percentile. The options under the general tab are available for any numerical data point regardless of the data list chosen.



7. Click on the *Calculation* tab.



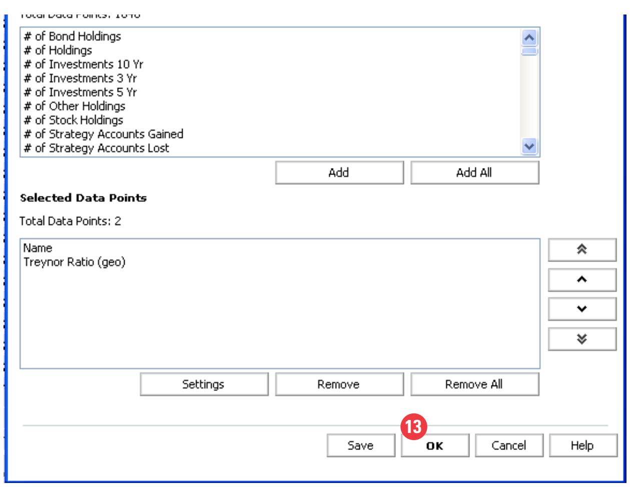
8. Type *01-01-2005* in the Start Date box and *12-31-2009* in the End Date box. You can also use the calendar to choose dates graphically.

9. Click *Find* to locate the appropriate benchmark for this custom calculation.

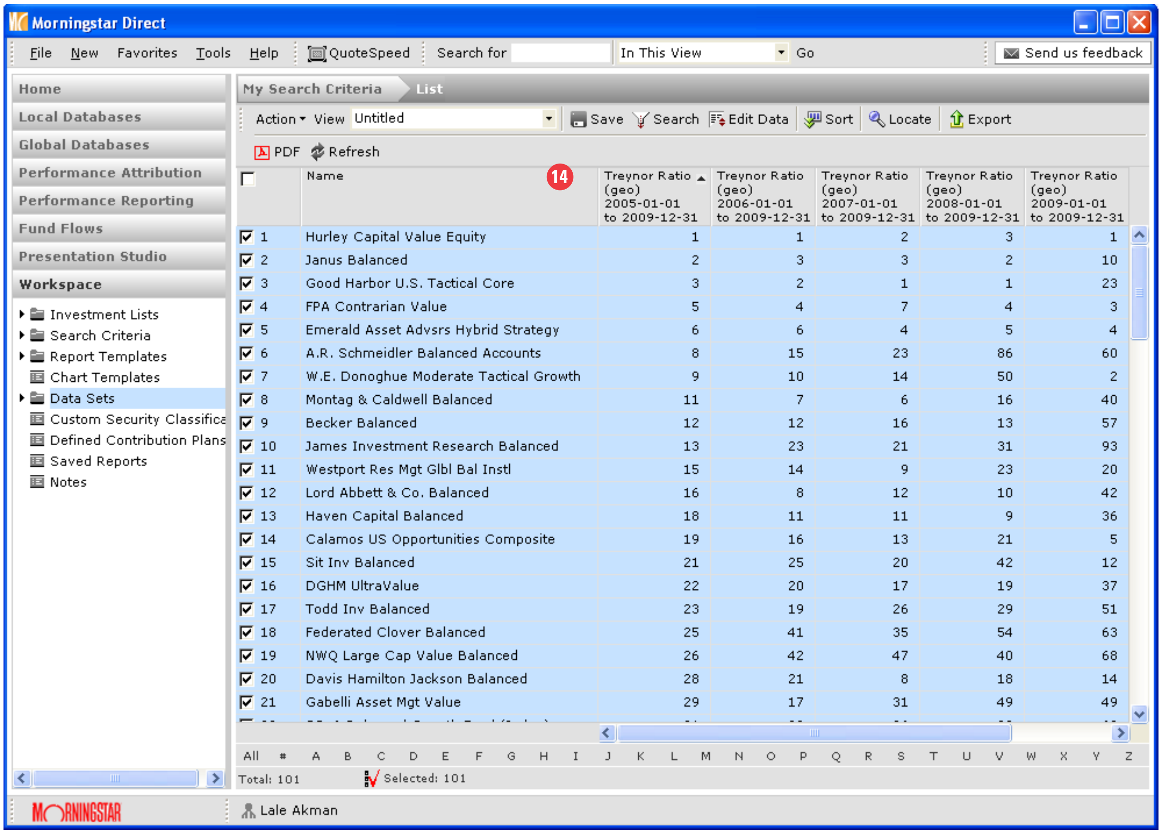
10. Next, select Backward Extending Window (see Calculation Window for description of these options).

11. Type *"12"* in the Moving Step box.

12. Click *OK to be taken back to* the Select Data Points dialog box.



13. Click *OK* to be taken back to your grid view



	Name	Treynor Ratio (geo) 2005-01-01 to 2009-12-31	Treynor Ratio (geo) 2006-01-01 to 2009-12-31	Treynor Ratio (geo) 2007-01-01 to 2009-12-31	Treynor Ratio (geo) 2008-01-01 to 2009-12-31	Treynor Ratio (geo) 2009-01-01 to 2009-12-31
1	Hurley Capital Value Equity	1	1	2	3	1
2	Janus Balanced	2	3	3	2	10
3	Good Harbor U.S. Tactical Core	3	2	1	1	23
4	FPA Contrarian Value	5	4	7	4	3
5	Emerald Asset Advsrs Hybrid Strategy	6	6	4	5	4
6	A.R. Schmeidler Balanced Accounts	8	15	23	86	60
7	W.E. Donoghue Moderate Tactical Growth	9	10	14	50	2
8	Montag & Caldwell Balanced	11	7	6	16	40
9	Becker Balanced	12	12	16	13	57
10	James Investment Research Balanced	13	23	21	31	93
11	Westport Res Mgt Glbl Bal Instl	15	14	9	23	20
12	Lord Abbett & Co. Balanced	16	8	12	10	42
13	Haven Capital Balanced	18	11	11	9	36
14	Calamos US Opportunities Composite	19	16	13	21	5
15	Sit Inv Balanced	21	25	20	42	12
16	DGHM UltraValue	22	20	17	19	37
17	Todd Inv Balanced	23	19	26	29	51
18	Federated Clover Balanced	25	41	35	54	63
19	NWQ Large Cap Value Balanced	26	42	47	40	68
20	Davis Hamilton Jackson Balanced	28	21	8	18	14
21	Gabelli Asset Mgt Value	29	17	31	49	49

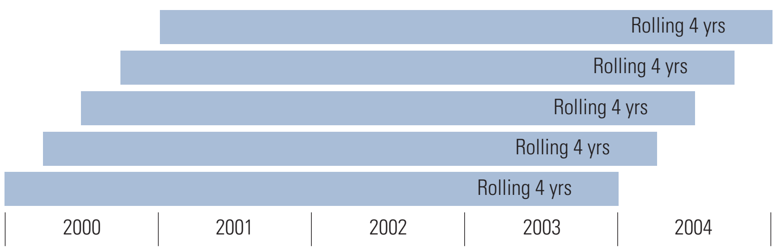
14. You have successfully created a custom calculation displaying your user-defined trailing time series.

How does the Calculation Window Work?

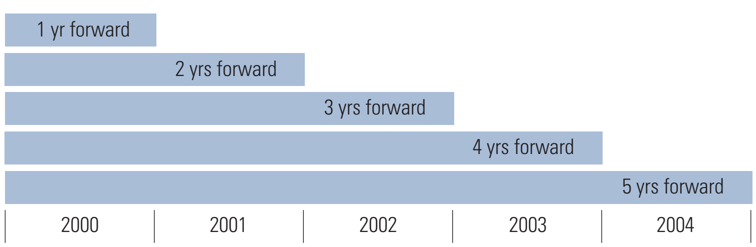
For all examples the start date is 1 January 2000, and the end date is 31 December 2004.

Single Data Point gives you one data point as output based on your start and end date. The following illustration is a single trailing 5 year calculation.

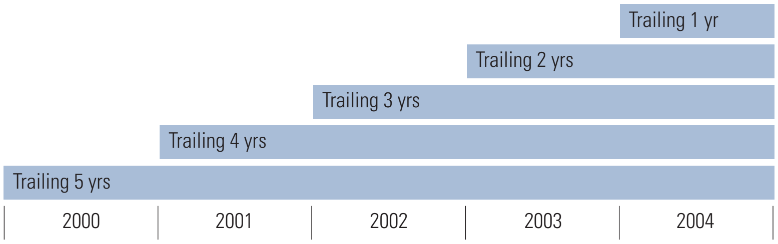
Rolling Window allows you to calculate rolling statistics, where the start date and end date both move forward together. Rolling windows are typically used to measure consistency of data. Use Moving Window Size to set the time period for each calculation and Moving Step to set how often each calculation is performed. The following illustration has a moving window size of 4 years and a moving step of three months, so you would get five data points as output.



Forward Extending Window allows you to fix the start date for each calculation. One application of this calculation would be to calculate cumulative performance (data point is total return and annualized is not checked). The following illustration has a moving step of 12 months, so you would get five data points as output.

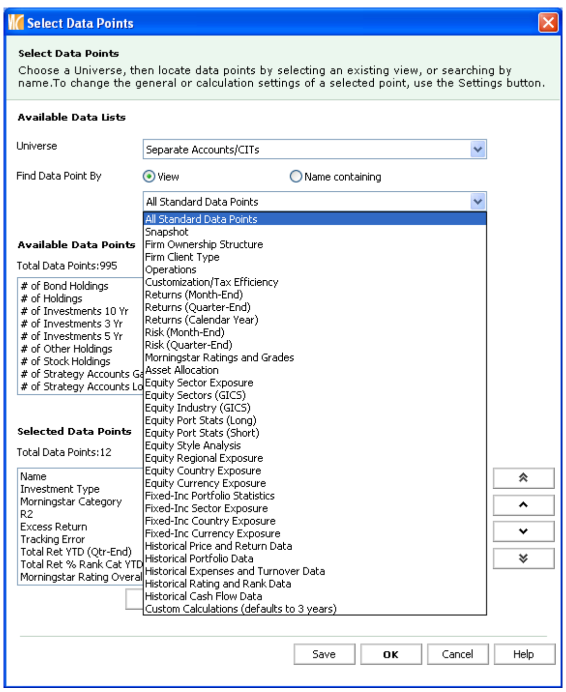


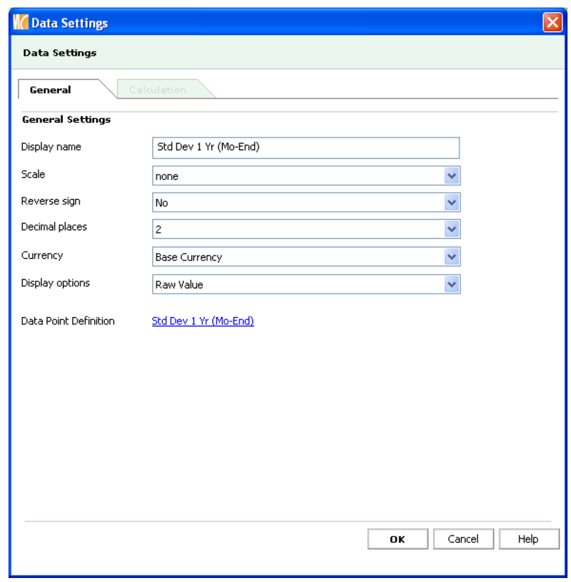
Backward Extending Window calculation fixes the end date for the calculation. It is typically used to calculate trailing statistics. The following illustration has a moving step of 12 months, so you would get five data points as output.



How is the Data Organized?

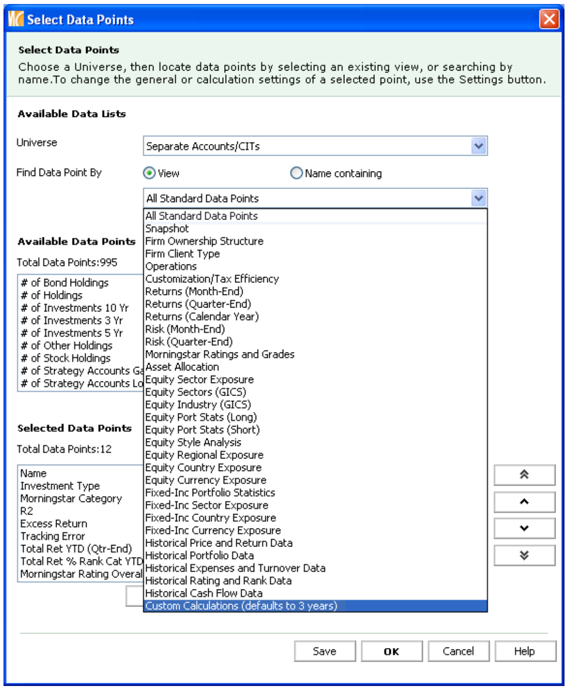
Standard Data Points are pre-defined groups of data points found in the view drop-down or in *Edit Data* or by doing a *Right Click*. Basic modifications to data settings can be made in the *General* tab.

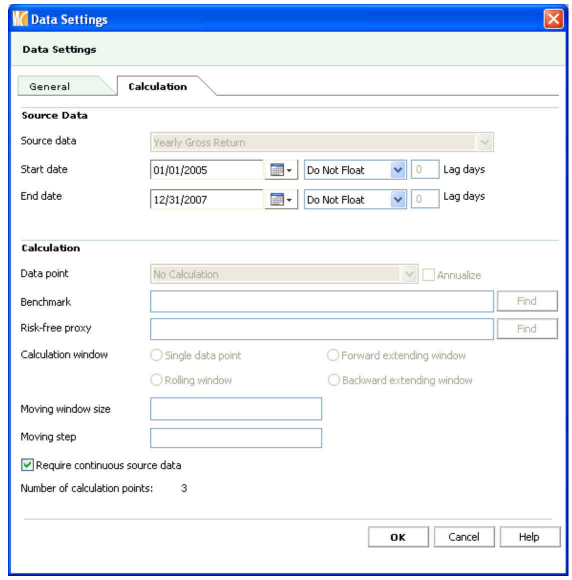




How is the Data Organized?

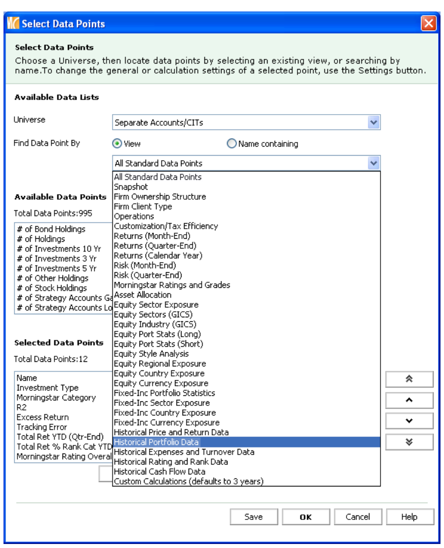
Historical Data Points are used to evaluate the consistency and trend of historical data. These can be found in *Edit Data*. Basic modifications to data settings can be made in the general tab and date changes (start and end dates) can be made in the Calculation Tab. The default setting is three years.

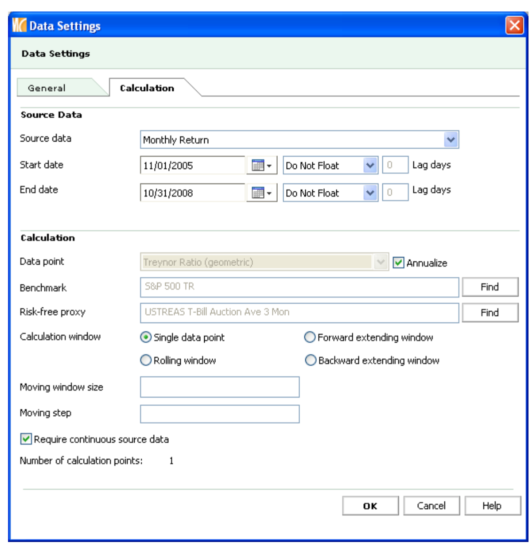




How is the Data Organized?

Custom Calculations allow you to generate calculations using your own benchmarks, data sources, and specific time frame calculations. Offering the most flexibility, these data points can be found in *Edit Data* and by doing a *Right Click*. Basic modifications to data settings can be made in the general tab while in-depth custom calculations are made in the *Calculation* tab.



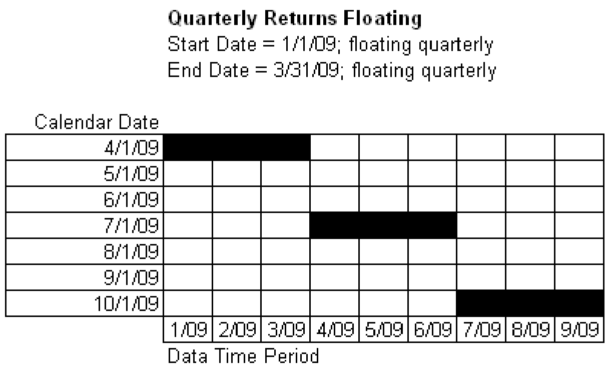


How does the Floating and Lag Options Work?

You can use Floating Methods to float start and end dates for your custom calculations. You can also build a lag time into your process. Below are examples of the actual calculations.

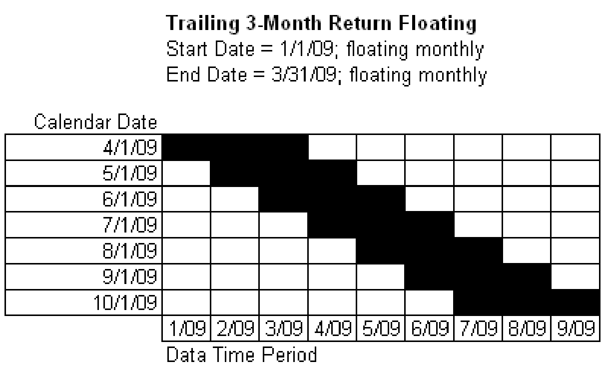
Quarterly Returns Floating

Based on your "float quarterly" settings for the start date and end date, you are updating quarterly *even though the data maybe available monthly.*



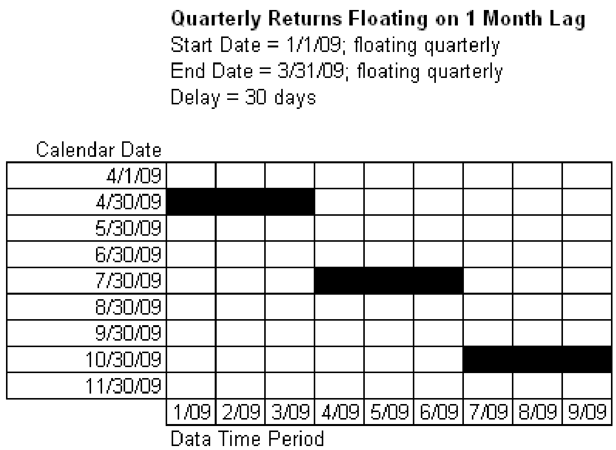
Trailing 3-Mth Return Floating

Based on your "float monthly" settings given the start date and end date of a 3-month time period, you are asking the data to be updated every month, moving one month forward with no lag.



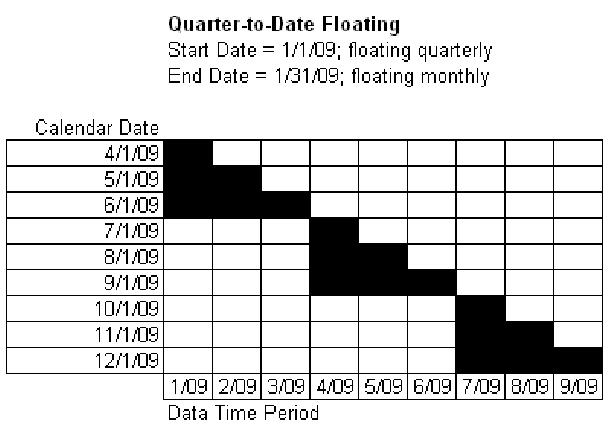
Quarterly Returns Floating on 1 Month Lag

Based on your "float quarterly" settings, you are asking the data to be updated every quarter *even though the data maybe available monthly*. This update will not appear in your settings until one month later due to the 1 Month Lag. This can be useful for hedge funds and separate accounts where reporting occurs toward the end of the month



Quarter-to-Date Floating

Based on your "float quarterly" settings for the start date and the "float monthly" settings for the end date, you are asking the data to be updated every month while maintaining the start date as of the beginning of the quarter. Therefore, the start date will not move until the next quarter.

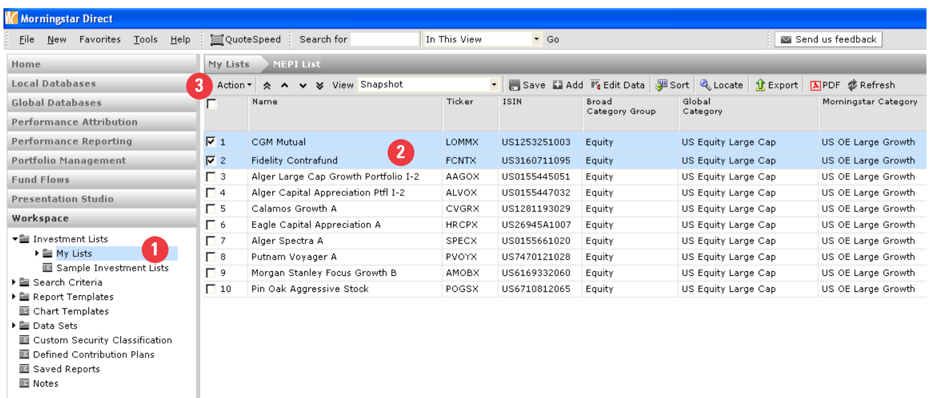


Charts and Reports

Create Charts

Morningstar Direct has many chart options to support your research. Charts can be exported into PowerPoint, saved as PDF files for easy printing and emailing, and copied to the clipboard for insertion into other reports and documents. If you choose to save them or apply for later use, they will be stored in the Chart Templates folder and accessible in all Action bars that contain Charts/My Templates.

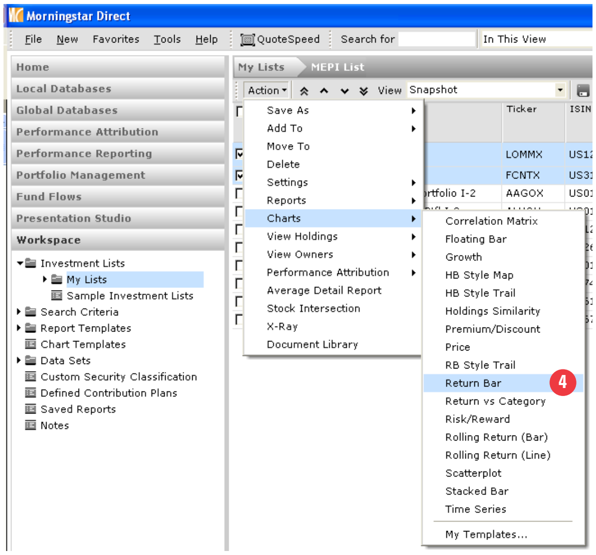
1. You can begin the process with an investment or investment list from the Investment List or Search Criteria folders and populate up to 15 names in a chart. Go to the Investment List folder and open a list from *My List*.



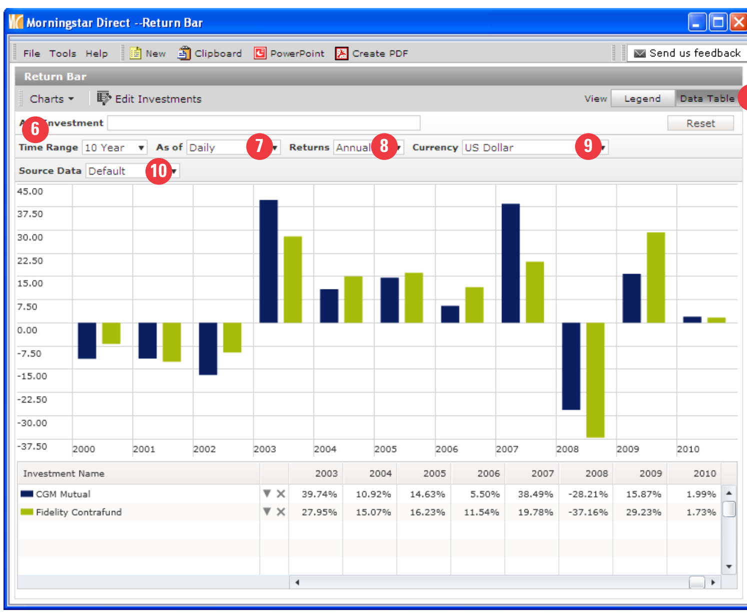
2. Select two names.

3. Click the *Actions*.

4. Go to *Charts* and you will see the many choices to display various data. Click on *Return Bar*.



5. Click *Data Table* to display the numeric data that supports the chart.



6. You have many choices to customize your settings. Use the *Time Range* drop down to alter your time periods.

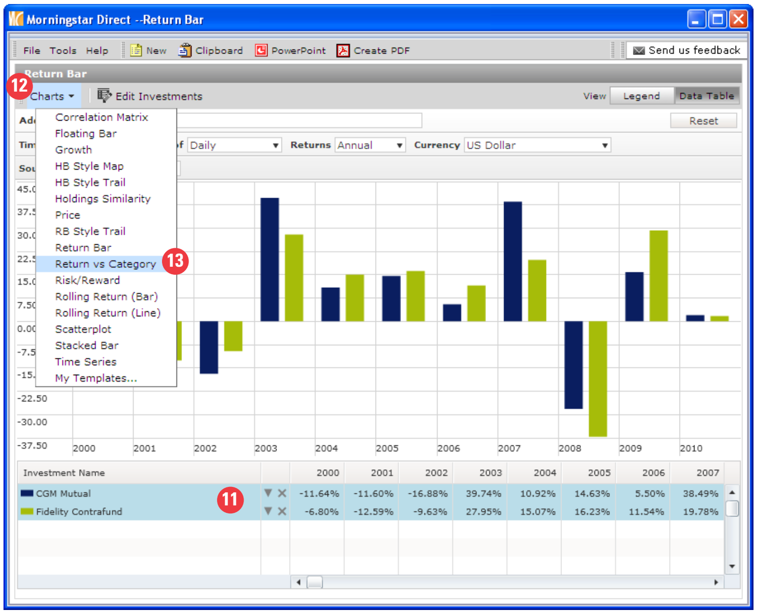
7. Go to *Daily* drop down to change the frequency.

8. Click on the *Returns* drop down to change the default Annual returns to Trailing

9. Use the *Currency* drop down to change your currency.

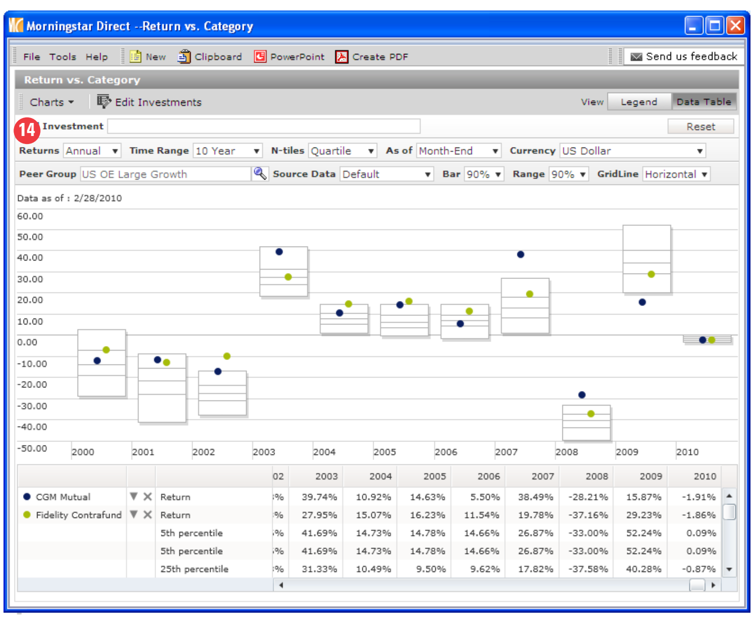
10. Click on the *Source Data* drop down to select from various types of returns (i.e. total, market, gross returns).

11. Highlight your two investments by clicking on each one.



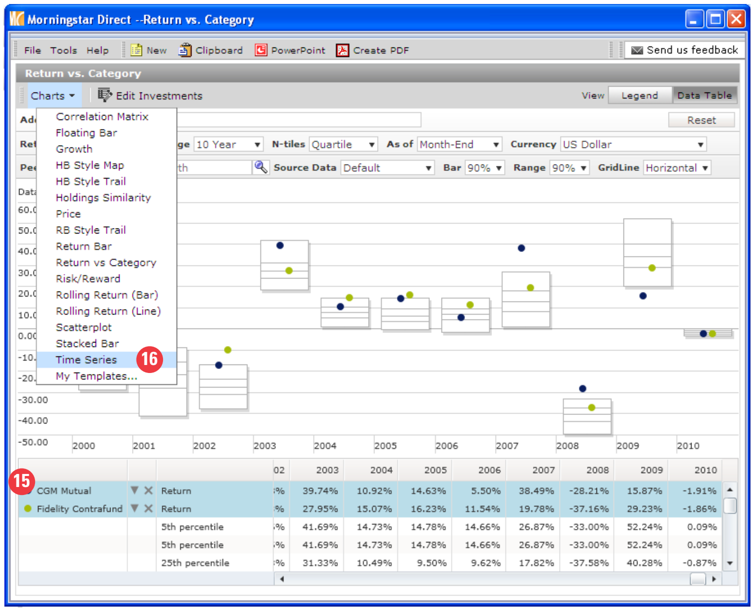
12. Go to *Charts* to continue to build additional charts for your selected investments.

13. Click *Return vs. Category* to create a peer group chart.



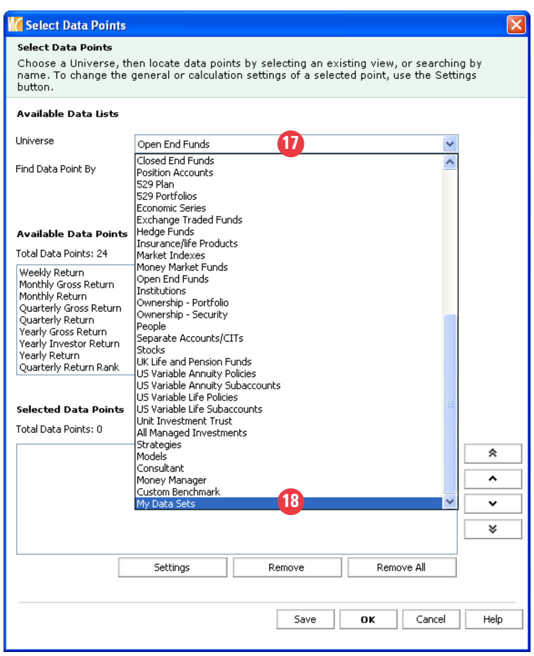
14. Similar to the previous chart, you have the ability to customize your setting in the top section of the dialog box.

15. Highlight your two investments again and will create our final chart, Time Series.



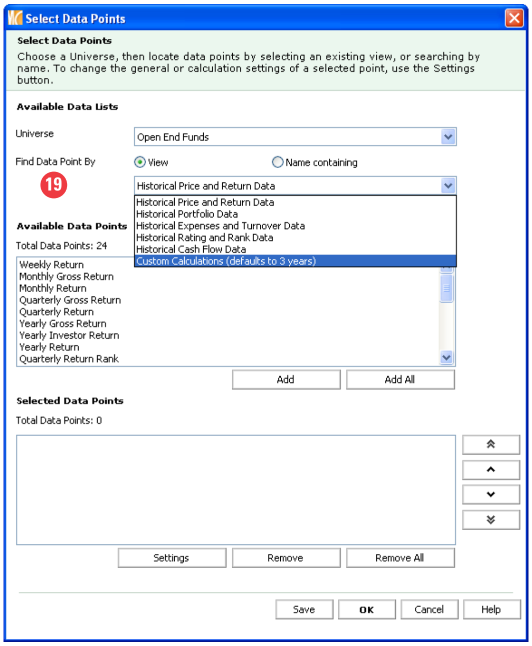
16. From Charts, click on *Time Series* to be taken to the Select Data Points dialog box.

17. Your default universe will be based on your settings under User Preferences. Click on the *Universe* drop down if you want to select data points from another universe.

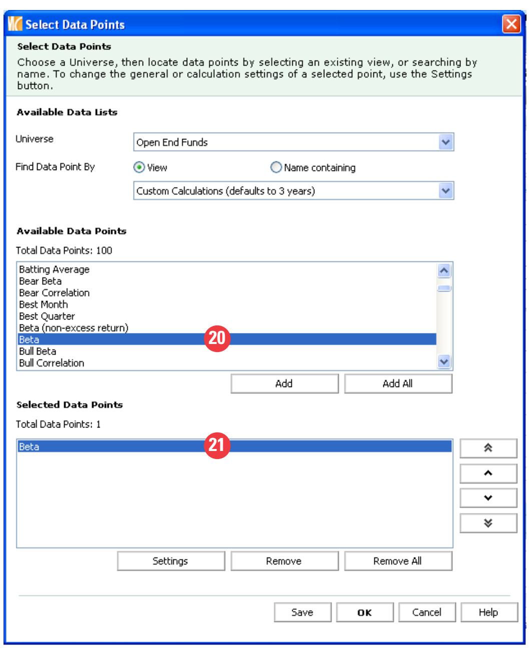


18. You can also select data points from an existing data set from My Data Set.

19. Go to *Find Data Point By* and *Select Custom Calculations*.

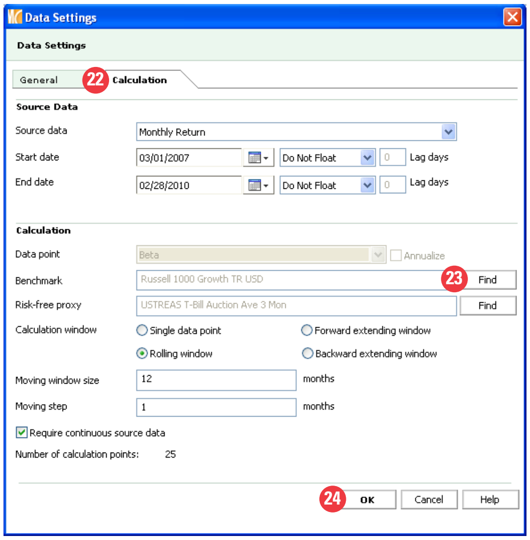


20. Find *Beta* and add to the Selected Data Points box.



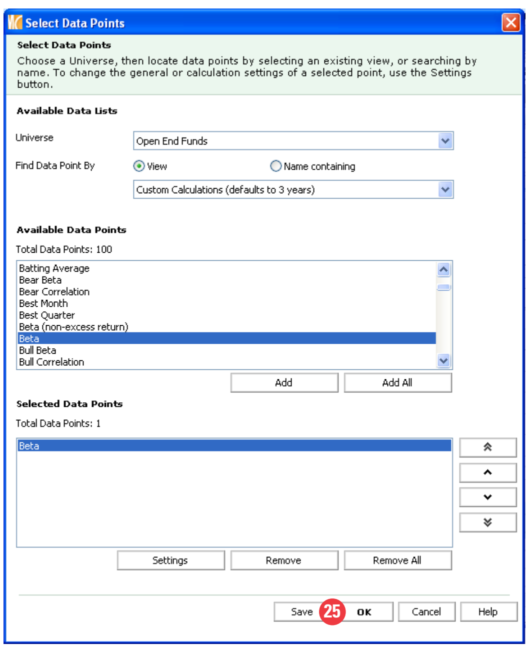
21. Double click on *Beta* or you can also click on Settings to be taken Data Setting dialog box.

22. Go to the *Calculations* tab and select *Rolling Window, Moving Window Size is 12 months, and Moving Step is 1 month.*



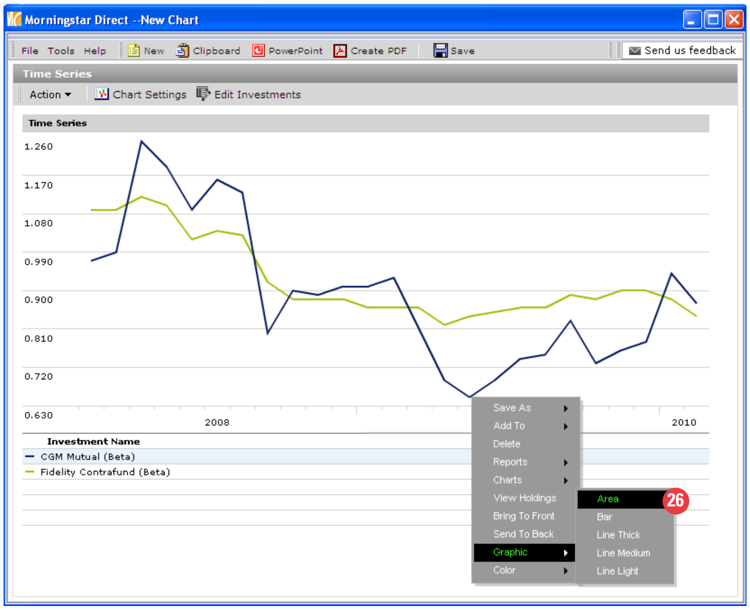
23. You can also alter the default benchmark by clicking *Find* to select another benchmark.

24. Click *OK* to be taken back to the Data Points dialog box.

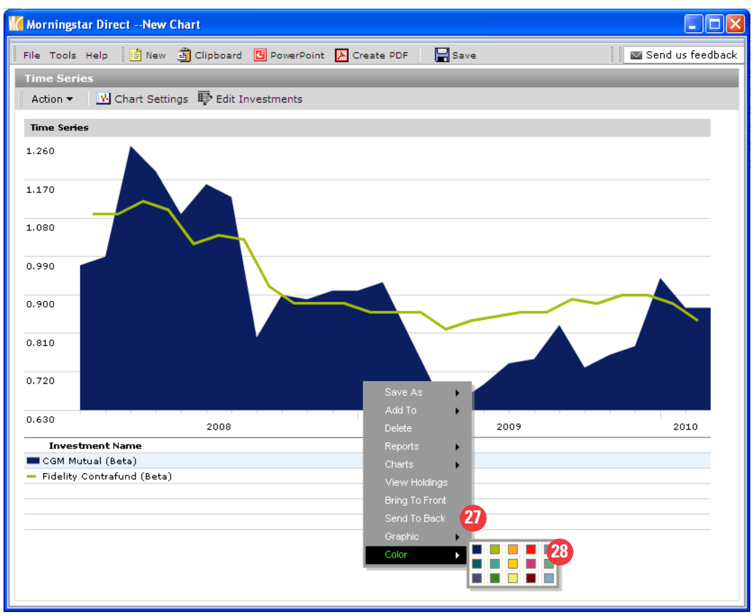


25. Click *OK* to complete creating your time series chart.

26. Double click on the line graph and you can alter the display. Go to *Graphics* and click on *Area*.



27. Double click on the Area graph and then select *Send To Back* to place the Area graph behind the line graph.



28. You can also alter your colors.

Create Reports

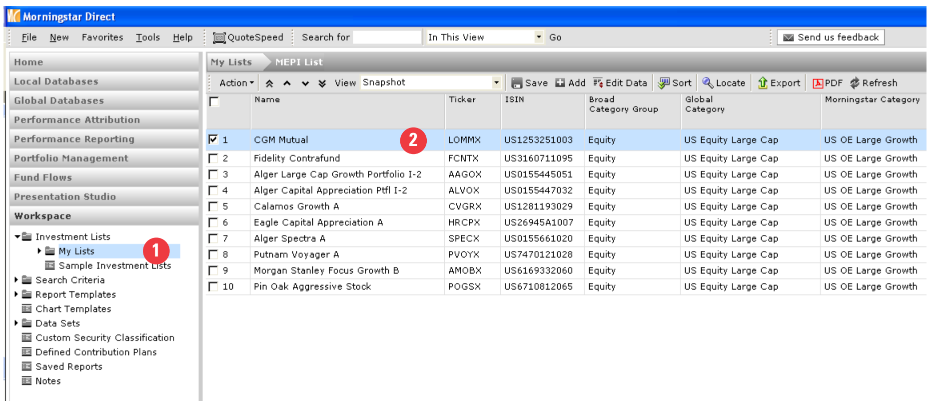
Morningstar Direct has many report options to communicate your results for a specific investment(s). If you choose to save the reports or apply for later use, they will be stored in the Report Templates folder and accessible in all Action bars that contain Reports/My Templates.

There are four types of reports:

1. Pre-Formatted Reports for an investment
2. Comparison Reports for 2 to 4 investments (limited customization available)
3. Custom Reports for an investment with more features to customize the settings, peer groups and benchmarks.
4. Report Builder to create factsheets.

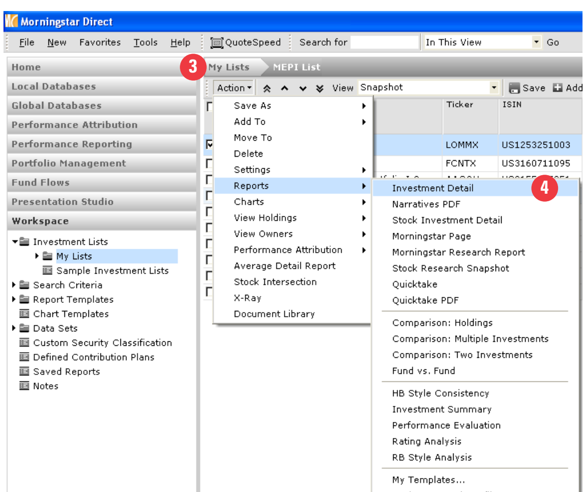
Pre-Formatted Report

1. You can begin the process with an investment or investment list from the Investment List or Search Criteria folders. Go to the Investment List folder and open a list from *My List*.

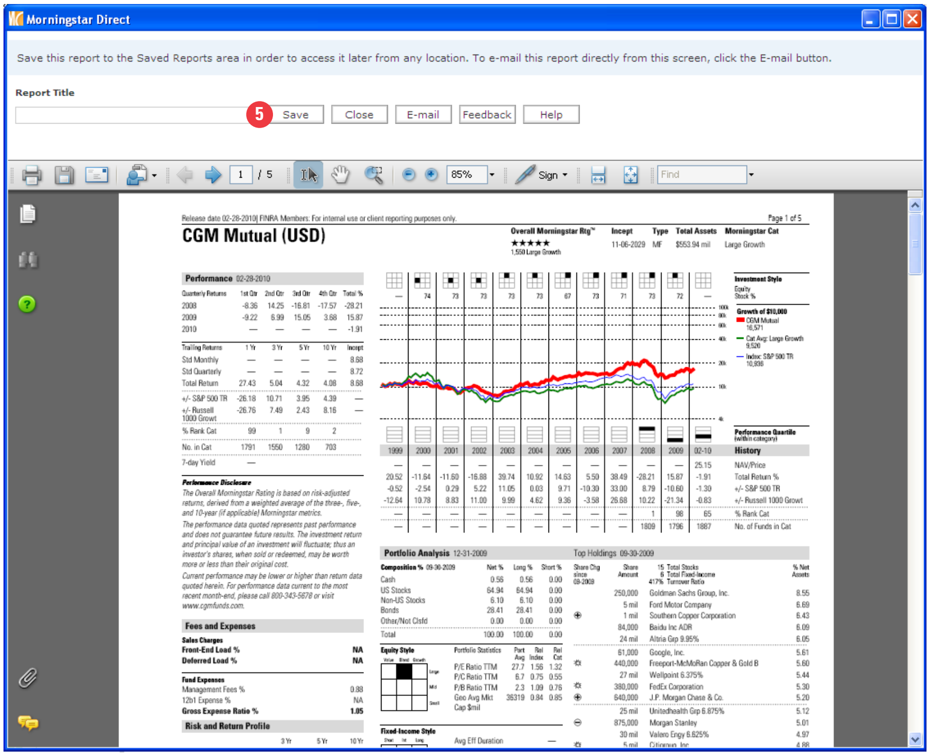


2. Select one name.

3. Go to *Actions*.



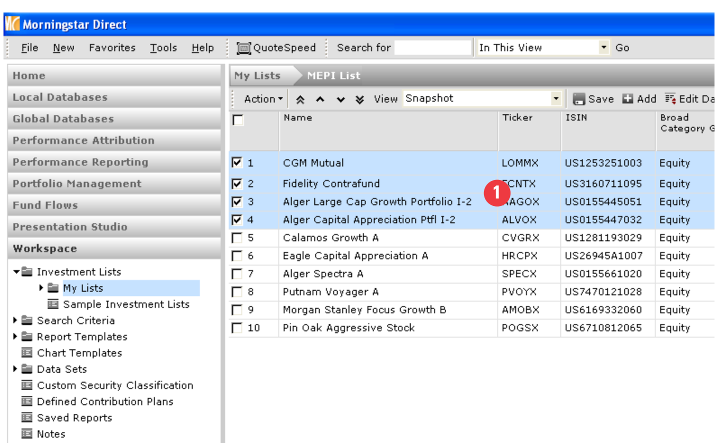
4. Go to *Reports* and select *Investment Detail*.



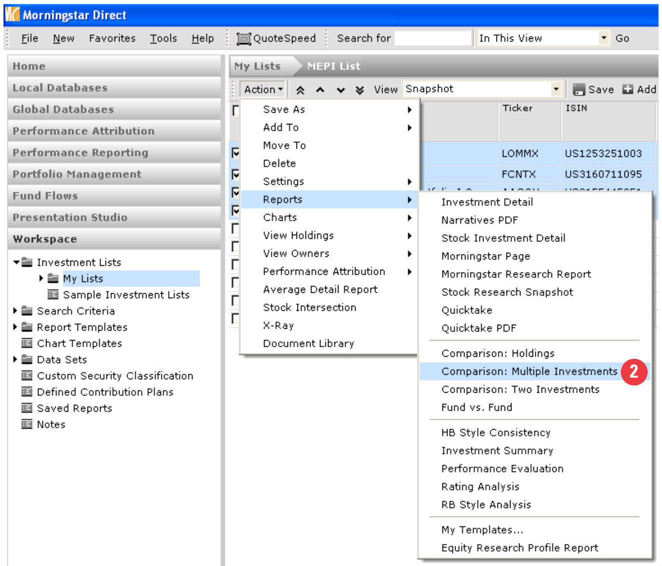
5. Your report will open in a new window. From here, you can Save the report to your Saved Reports folder or E-mail it using Morningstar Direct's email program.

Comparison Report

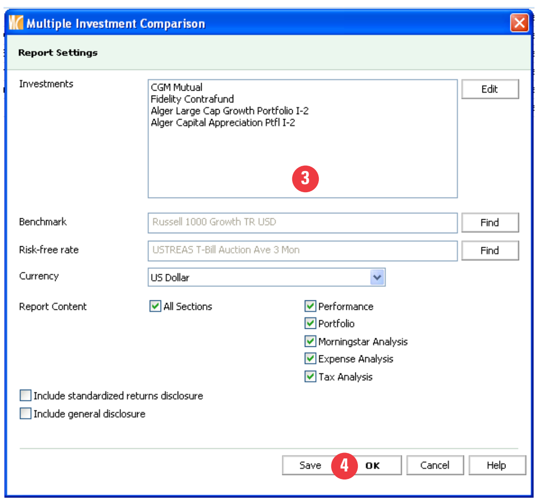
1. Go back to your investment list and select 4 names.



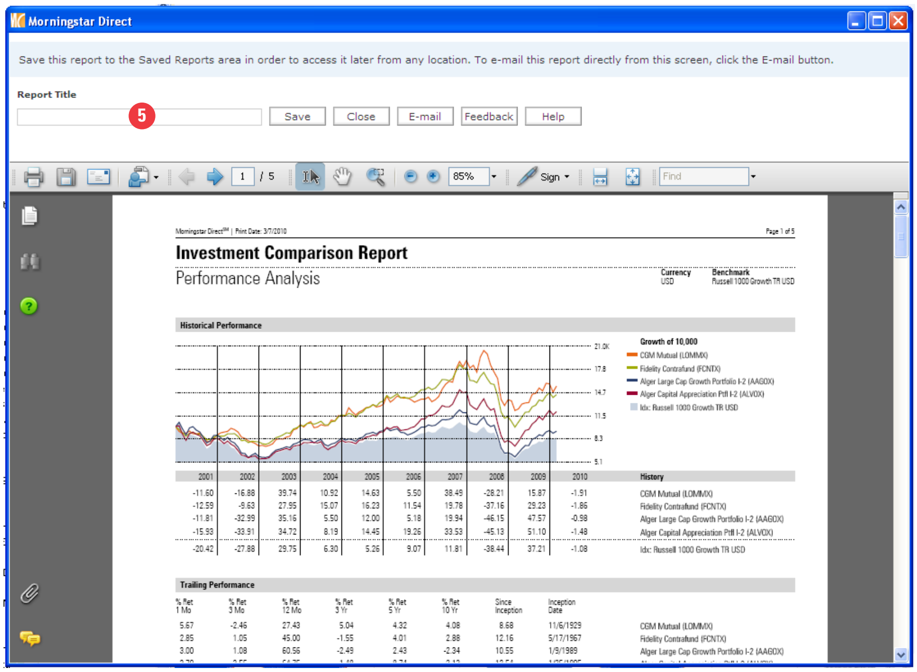
2. Go to *Reports* and select *Multiple Investments* to display all 4 names in one report.



3. You will be taken to the *Multiple Investment Comparison* dialog box where you can alter the benchmark and select additional choices.



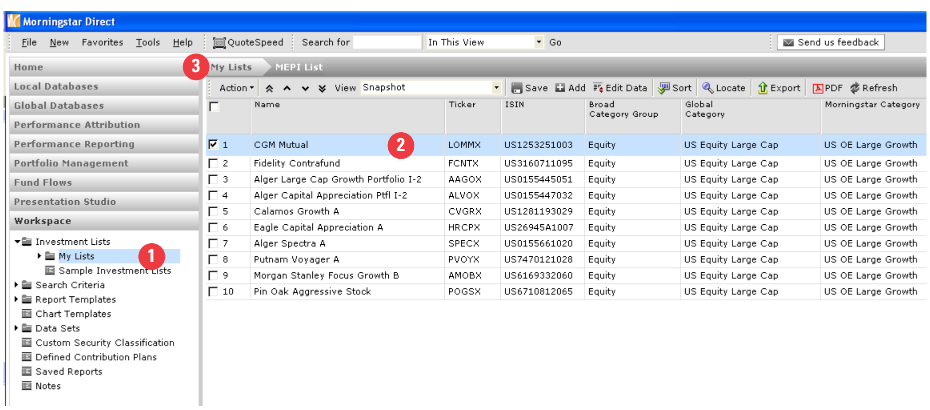
4. Click *OK* and you will be asked if you want to save the changes to apply for later use. Name the Report Template and continue to generate the report.



5. Your report will open in a new window. From here, you can *Save* the report to your Saved Reports folder or E-mail it using Morningstar Direct's email program.

Custom Report

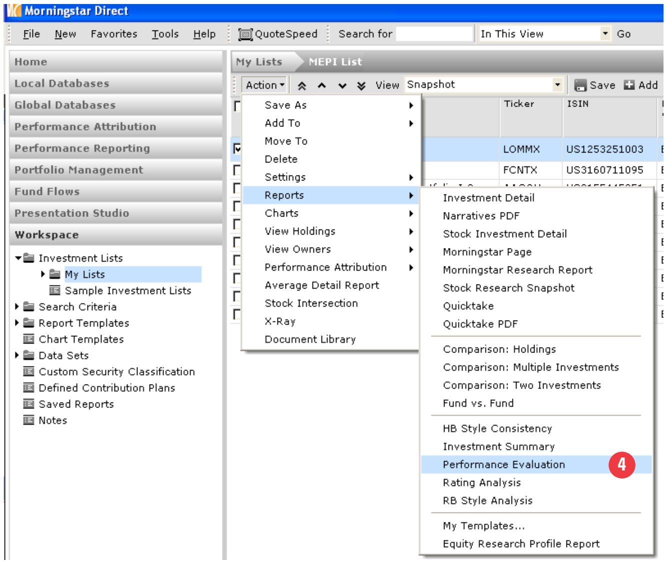
1. You can begin the process with an investment or investment list from the Investment List or Search Criteria folders. Go to the Investment List folder and open a list from *My List*.



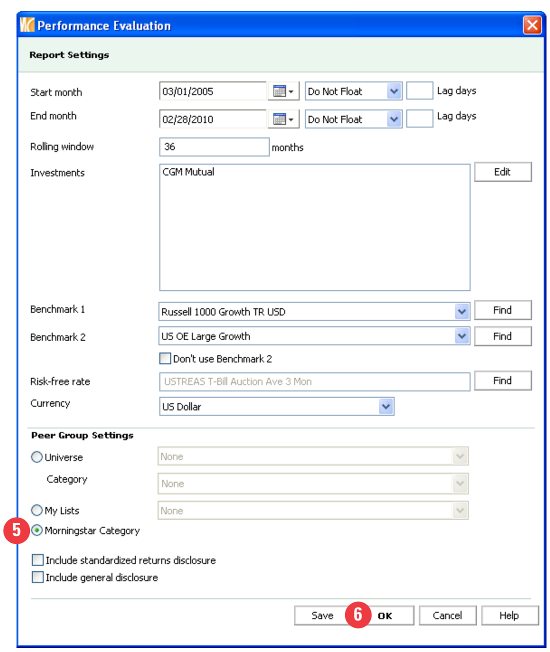
2. Select one name.

3. Go to *Actions*.

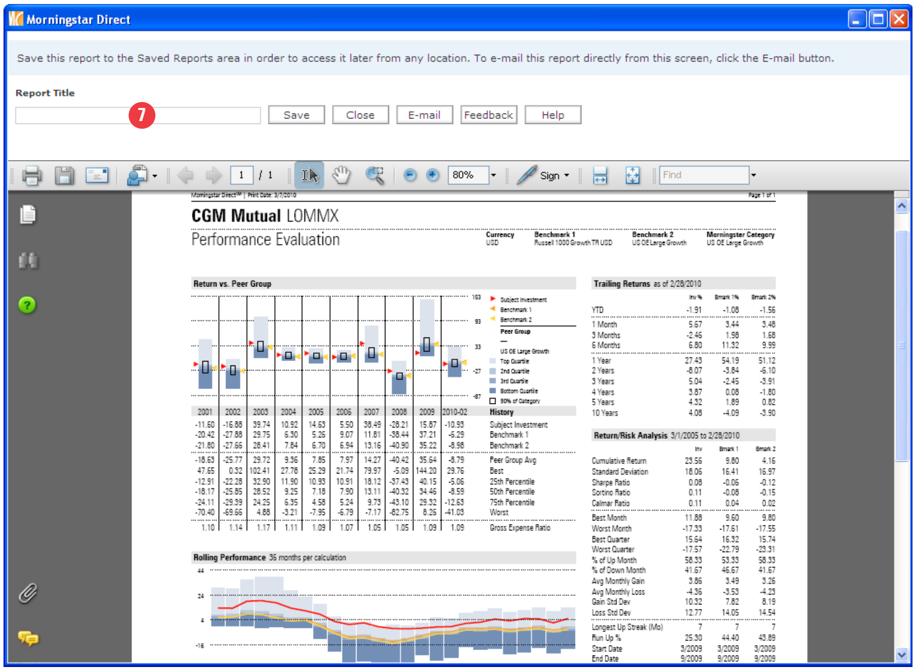
4. Go to Reports and select *Performance Evaluation*.



5. In the Performance Evaluation dialogue box, you have many customization options to select from such as time periods, rolling window months, benchmarks, and peer groups. Click *Morningstar Category* under Peer Group Settings to pull the appropriate category for the report.



6. Click *OK* and you will be asked if you want to save the changes to apply for later use. Name the Report Template and continue to generate the report.



7. Your report will open in a new window. From here, you can *Save* the report to your Saved Reports folder or E-mail it using Morningstar Direct's email program.

Equity Attribution

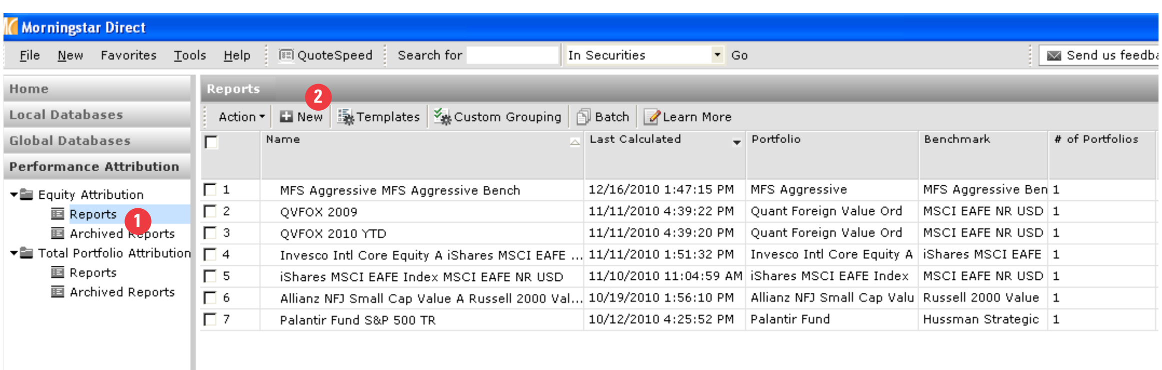
Equity attribution analysis, also know as micro attribution, allows users to compare a portfolio's performance to that of a benchmark while decomposing the excess return to explain the impact of various investment decisions. Decompose the results by various groupings such as industry classifications, regional classifications, style classifications or by your own custom classifications.

You can create an equity attribution report from the Investment List and Search Criteria folders or directly from the Performance Attribution main folder. Once saved, your equity attribution report will reside under Reports within the Equity Attribution subfolder.

Outline:
Create an Equity Attribution Report
View the Equity Attribution Results
Automatically Run Reports using Batch Scheduling
Create a Template
Create Custom Groupings
Send your Reports to other Morningstar Direct Subscribers

Create an Equity Attribution Report

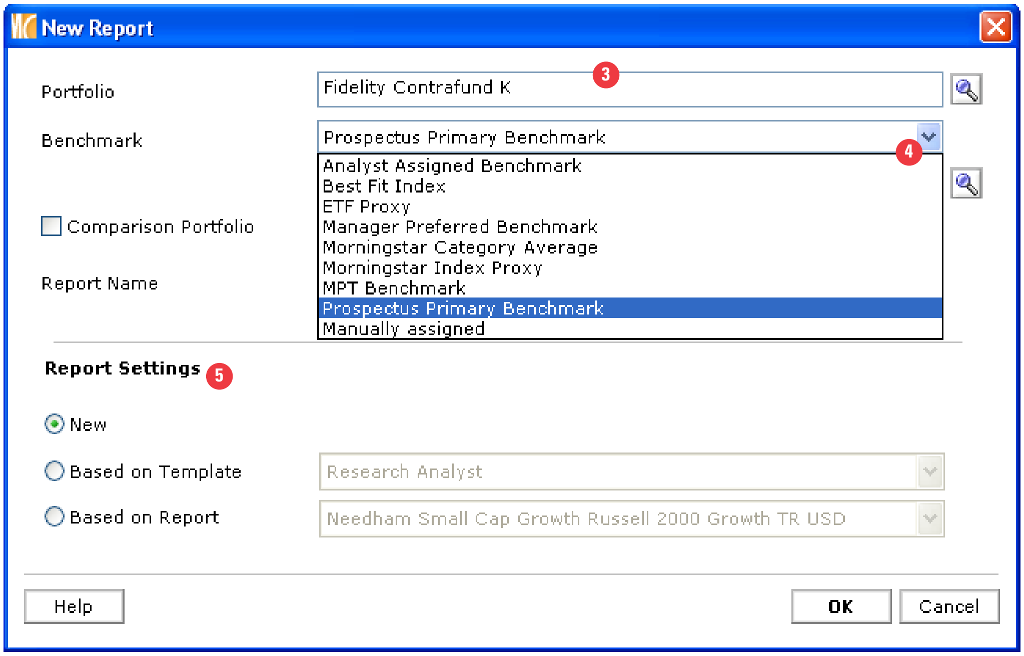
1. In the Performance Attribution folder, go to Equity Attribution. Click on *Reports*. To learn about Total Portfolio Attribution, refer to the Total Portfolio Attribution chapter.



Learn More is provided to get easy access to Equity Attribution Methodology papers and more.

2. Click on *New* to begin to create a new report. You will be taken to the report workflow dialog window.

3. Start typing the name of the portfolio or click on the magnifying glass to select the portfolio.

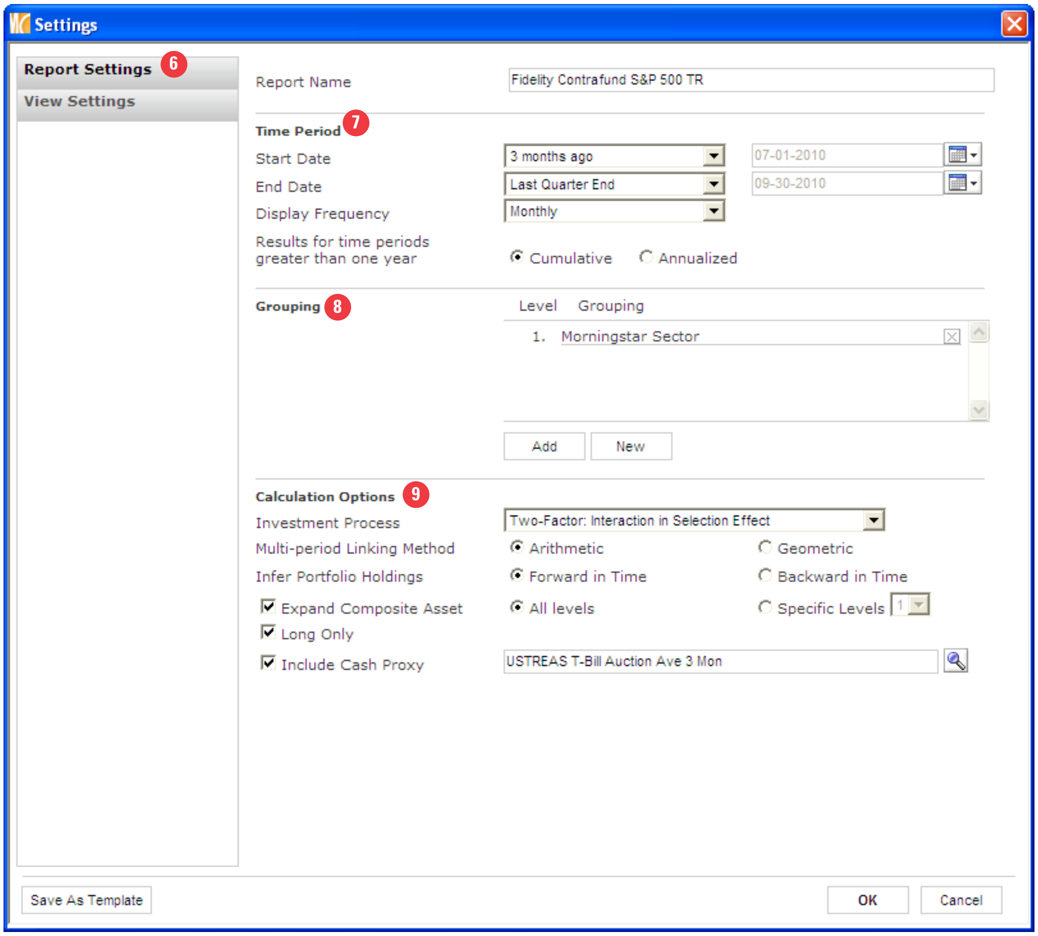


Check Comparison Portfolio to generate an equity attribution analysis of two managers. As an alternative, you can also use the secondary manager as the benchmark in your equity attribution analysis.

4. Go to the *Benchmark* drop-down to select from the various benchmarks.

5. Under Report Settings, you can create a report based on new settings, template settings, or saved report settings. We will create new settings and maintain the default, *New*.

6. In the *Report Settings* folder, you can customize the Time Period, Grouping, and Calculation Options for your equity attribution report.

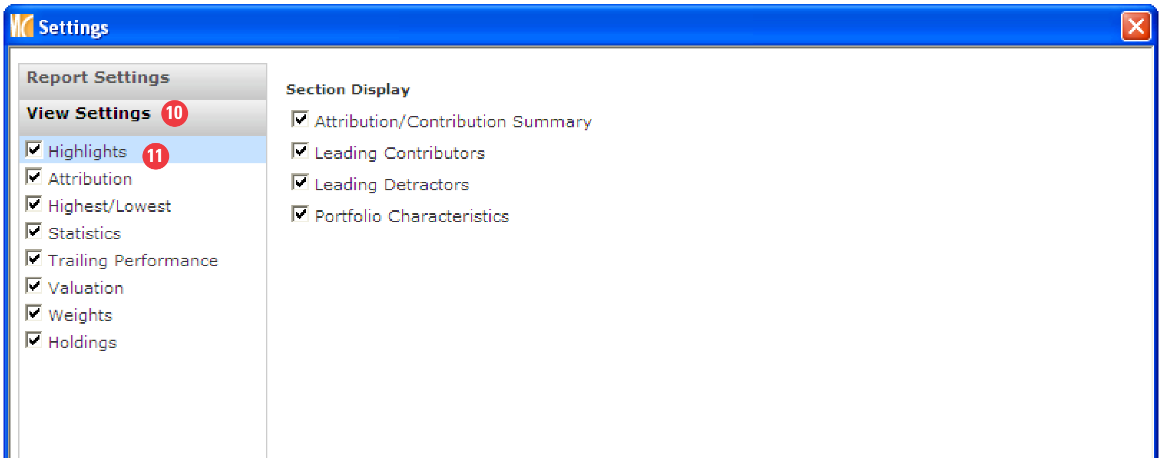


7. Go to *Time Period* to modify the time periods and frequency of the report. The default is three months through Last Quarter End.

8. Go to *Grouping* to select how to group and create hierarchy levels for your output. You can add groupings from the various choices or create a new grouping from the new button. The default is Morningstar Sector grouping.

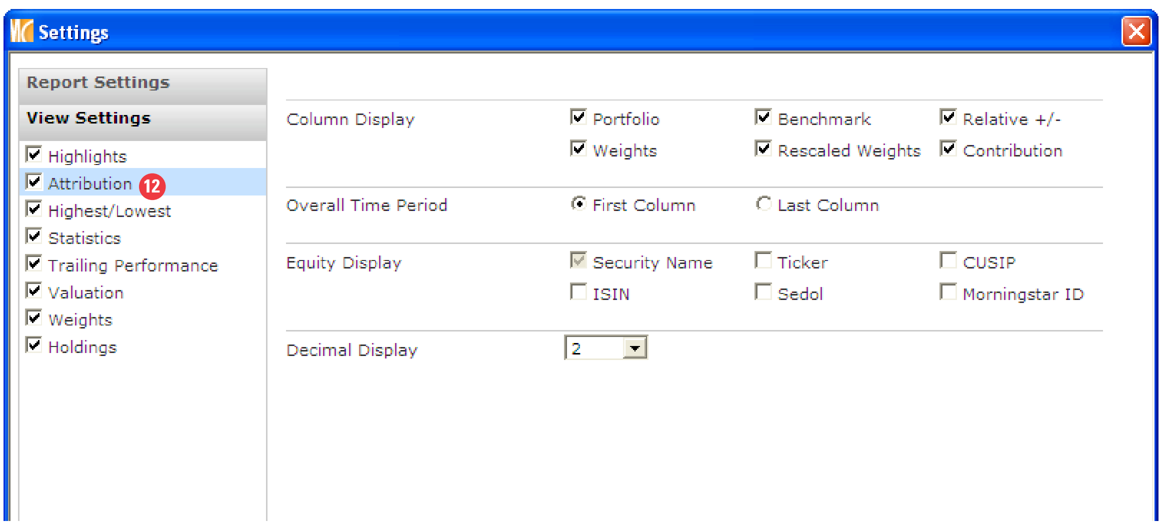
9. Go to *Calculation Options* to modify methodology settings such as the investment process, multi-period linking method, and infer portfolio holdings. The default is Two-Factor: Interaction in Selection Effect using Arithmetic linking method and inferring portfolios Forward in Time.

10. Next, go to *View Settings* folder to identify what views and their components would you like displayed in your equity attribution report.

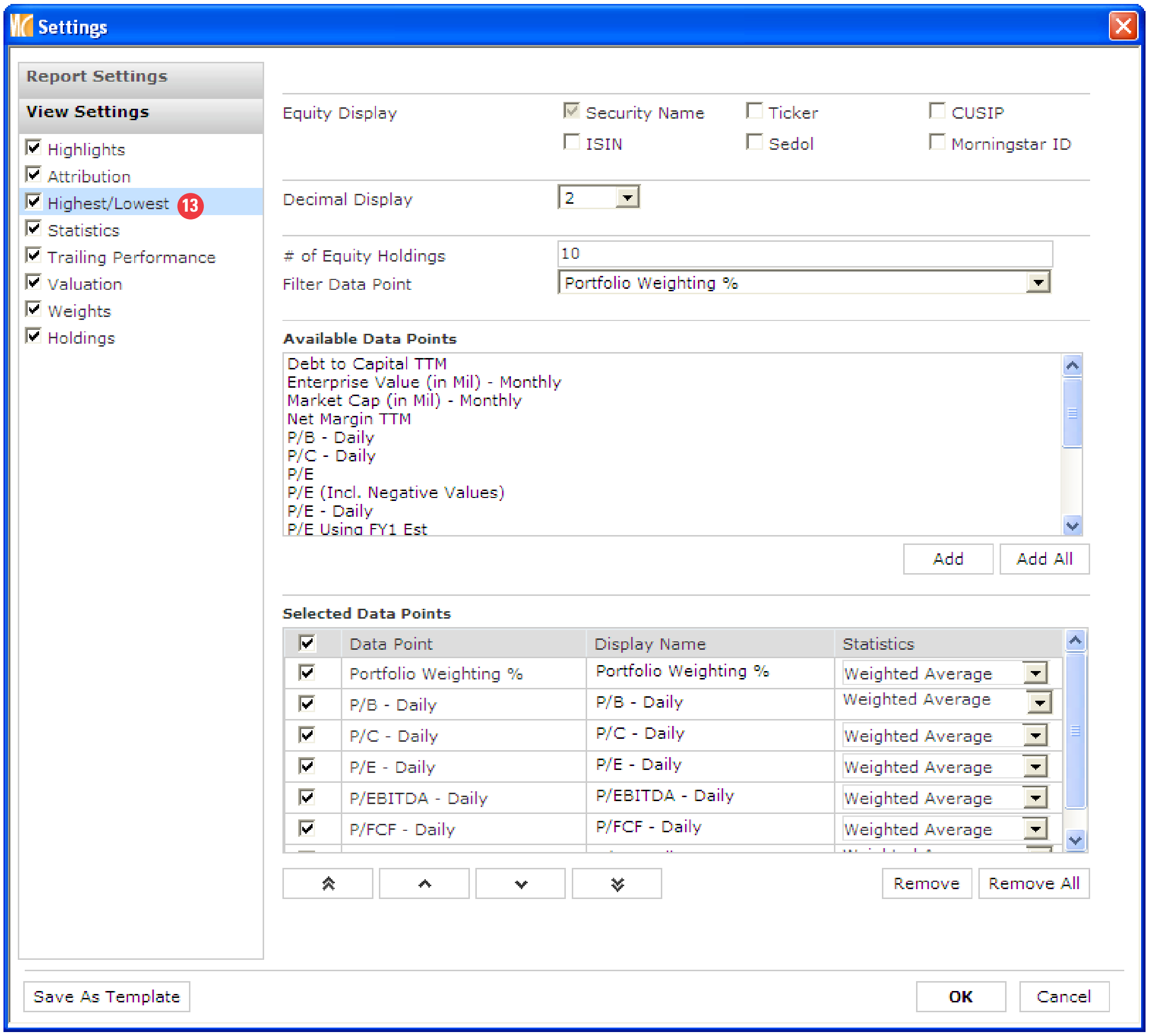


11. The *Highlights* view will provide an overall executive summary of Attribution, Contribution to Return, Leading Contributors, Leading Detractors, and Portfolio Characteristics results.

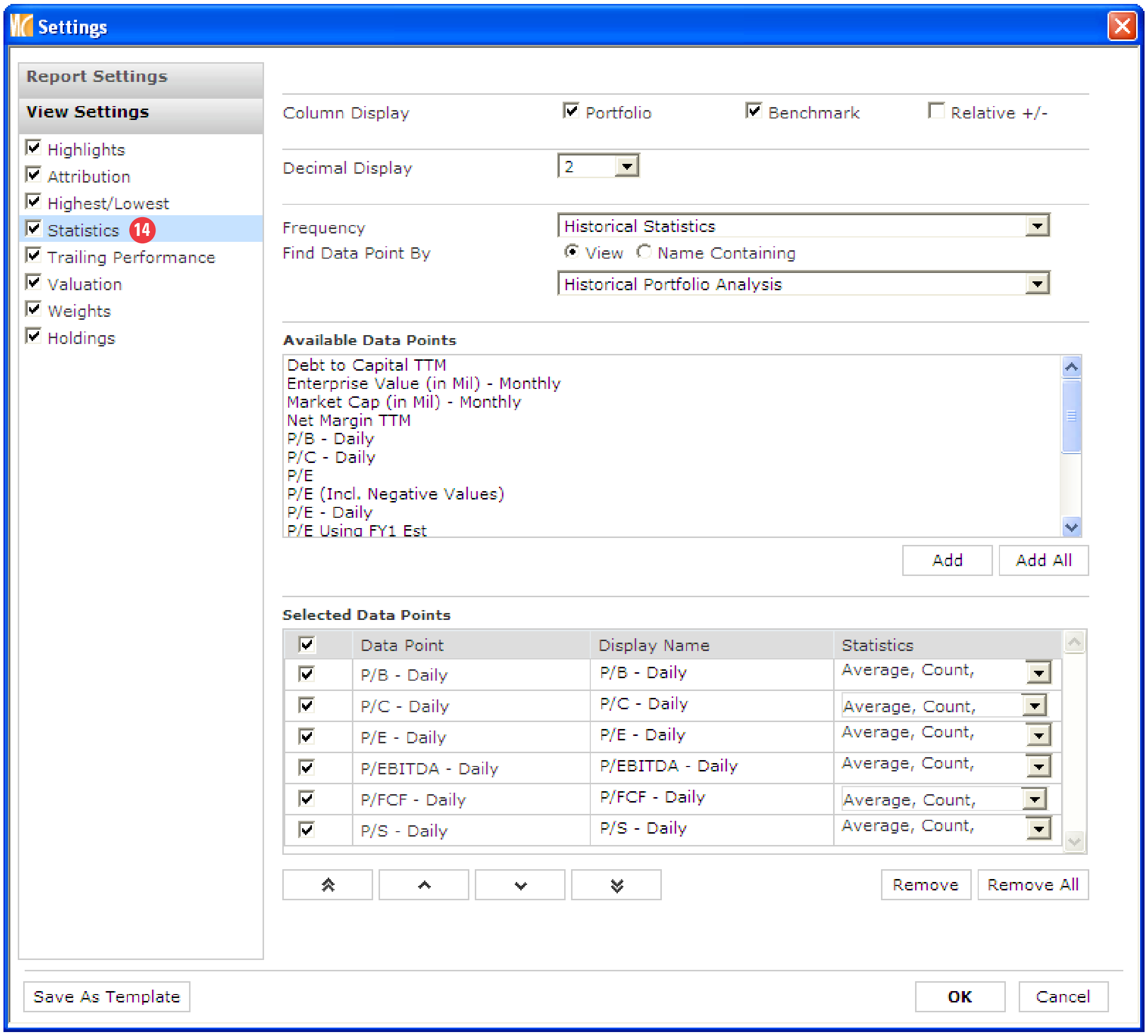
12. The *Attribution* view will decompose the active return to explain the impact of various portfolio management decisions. Here, you will also find Contribution to Return on the absolute level of the portfolio and benchmark. The output will displayed by the grouping and security levels.



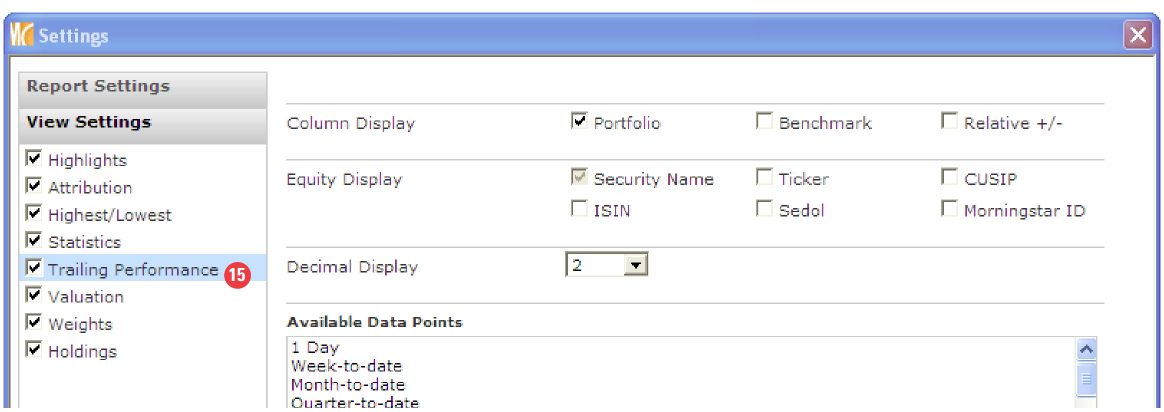
13. The *Highest/Lowest* view will display the fundamental data of those securities with highest and lowest security weighting in the portfolio.



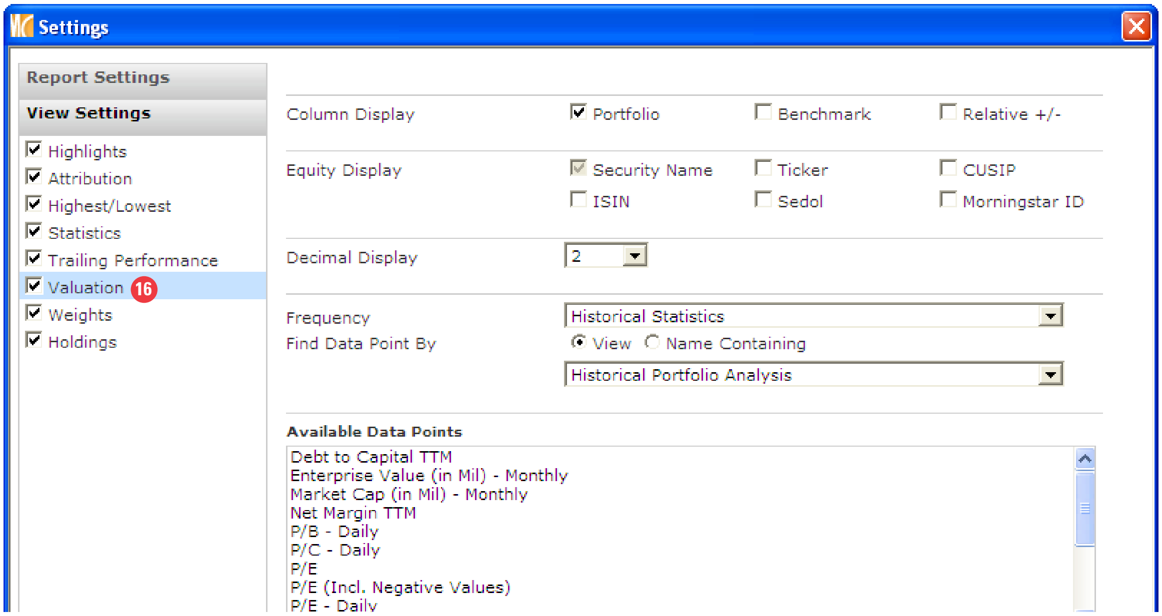
14. The *Statistics* view will compare the overall valuation results of the portfolio to its benchmark.



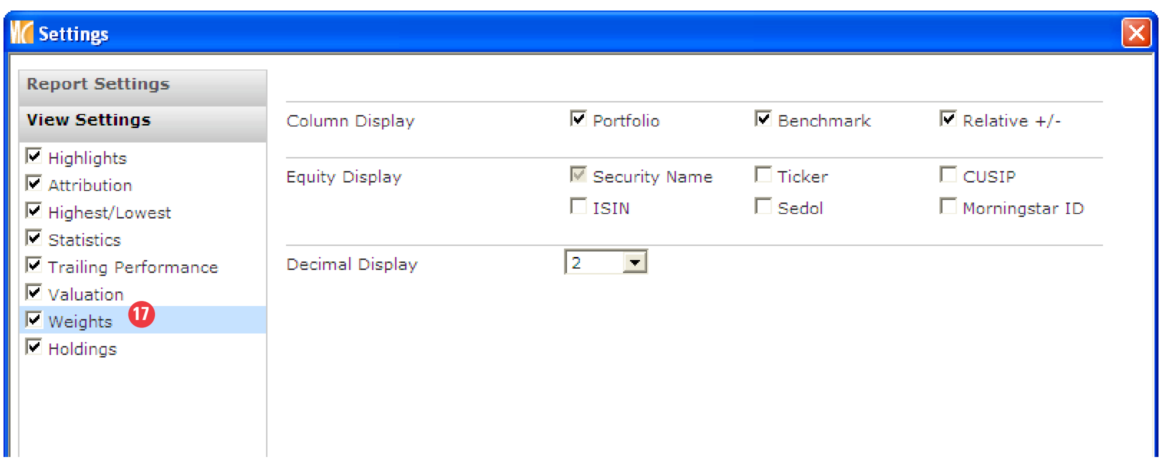
15. The *Trailing Performance* view will display performance of various time periods by the grouping and security levels.



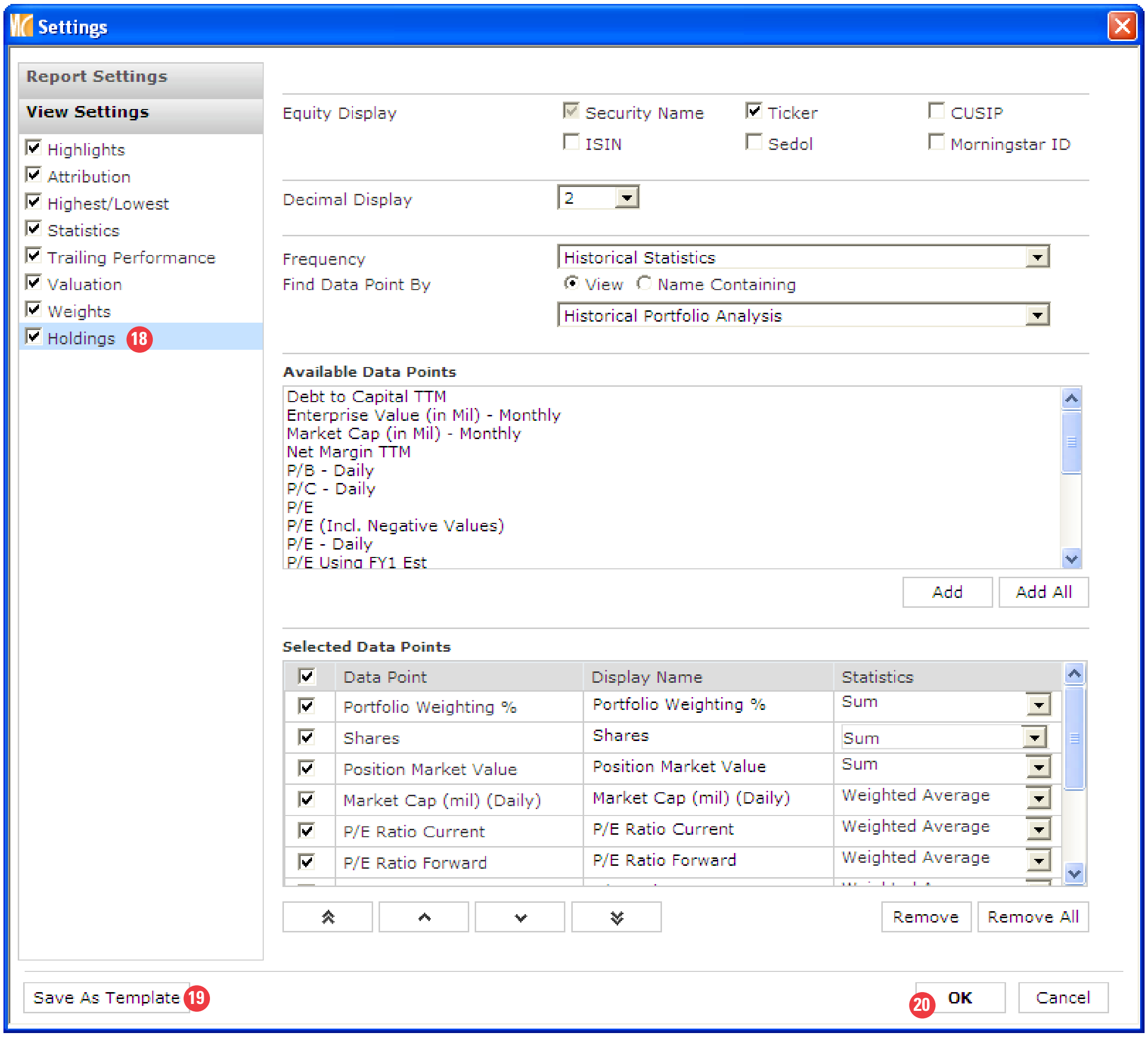
16. The *Valuation* view will display the portfolio's valuation results by the grouping and security levels.



17. The *Weights* view will compare the weights of the portfolio vs. benchmark by the grouping and wwsecurity levels.



18. The *Holdings* view will display the shares, market value, market cap, weightings and more broken down by the grouping and security levels.

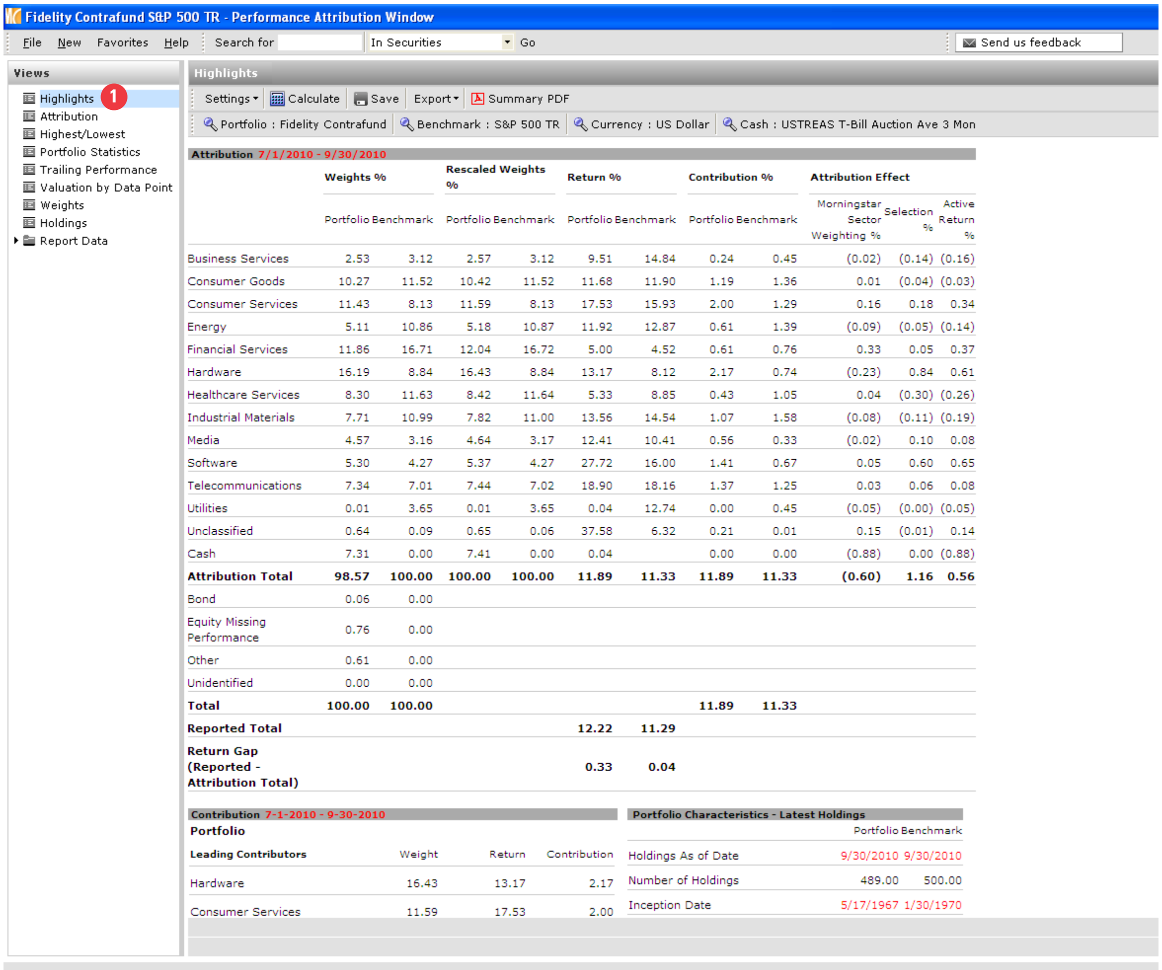


19. Once you have specified the components for both your Report Settings and View Settings, you can click on *Save as Template* for future use.

20. Click *OK* to run the Equity Attribution Report.

View the Equity Attribution Results

1. Once you've run your report, the *Highlights* view will automatically be displayed to give you an overall summary of your results. To the far left, you will find other views available to interpret your results. These views are all driven by your settings created in the previous section.



	Weights %		Rescaled Weights %		Return %		Contribution %		Attribution Effect		
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Morningstar Sector Weighting %	Selection %	Active Return %
Business Services	2.53	3.12	2.57	3.12	9.51	14.84	0.24	0.45	(0.02)	(0.14)	(0.16)
Consumer Goods	10.27	11.52	10.42	11.52	11.68	11.90	1.19	1.36	0.01	(0.04)	(0.03)
Consumer Services	11.43	8.13	11.59	8.13	17.53	15.93	2.00	1.29	0.16	0.18	0.34
Energy	5.11	10.86	5.18	10.87	11.92	12.87	0.61	1.39	(0.09)	(0.05)	(0.14)
Financial Services	11.86	16.71	12.04	16.72	5.00	4.52	0.61	0.76	0.33	0.05	0.37
Hardware	16.19	8.84	16.43	8.84	13.17	8.12	2.17	0.74	(0.23)	0.84	0.61
Healthcare Services	8.30	11.63	8.42	11.64	5.33	8.85	0.43	1.05	0.04	(0.30)	(0.26)
Industrial Materials	7.71	10.99	7.82	11.00	13.56	14.54	1.07	1.58	(0.08)	(0.11)	(0.19)
Media	4.57	3.16	4.64	3.17	12.41	10.41	0.56	0.33	(0.02)	0.10	0.08
Software	5.30	4.27	5.37	4.27	27.72	16.00	1.41	0.67	0.05	0.60	0.65
Telecommunications	7.34	7.01	7.44	7.02	18.90	18.16	1.37	1.25	0.03	0.06	0.08
Utilities	0.01	3.65	0.01	3.65	0.04	12.74	0.00	0.45	(0.05)	(0.00)	(0.05)
Unclassified	0.64	0.09	0.65	0.06	37.58	6.32	0.21	0.01	0.15	(0.01)	0.14
Cash	7.31	0.00	7.41	0.00	0.04		0.00	0.00	(0.88)	0.00	(0.88)
Attribution Total	**98.57**	**100.00**	**100.00**	**100.00**	**11.89**	**11.33**	**11.89**	**11.33**	**(0.60)**	**1.16**	**0.56**
Bond	0.06	0.00									
Equity Missing Performance	0.76	0.00									
Other	0.61	0.00									
Unidentified	0.00	0.00									
Total	**100.00**	**100.00**					**11.89**	**11.33**			
Reported Total					**12.22**	**11.29**					
Return Gap (Reported - Attribution Total)					**0.33**	**0.04**					

Contribution 7-1-2010 - 9-30-2010

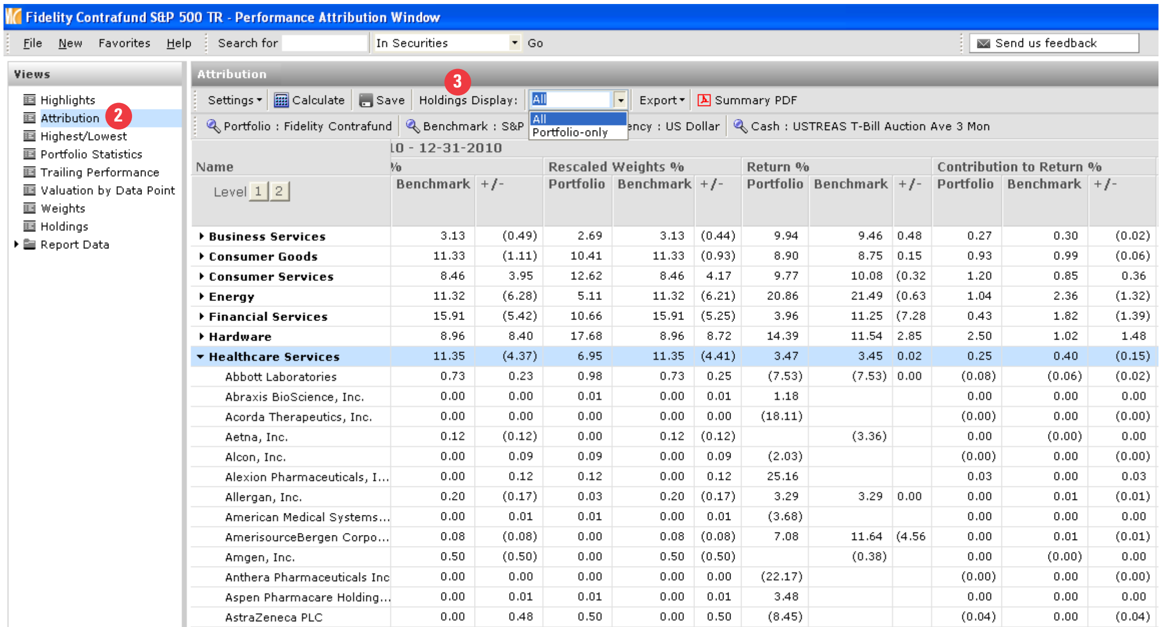
Portfolio

Leading Contributors	Weight	Return	Contribution
Hardware	16.43	13.17	2.17
Consumer Services	11.59	17.53	2.00

Portfolio Characteristics - Latest Holdings

	Portfolio	Benchmark
Holdings As of Date	9/30/2010	9/30/2010
Number of Holdings	489.00	500.00
Inception Date	5/17/1967	1/30/1970

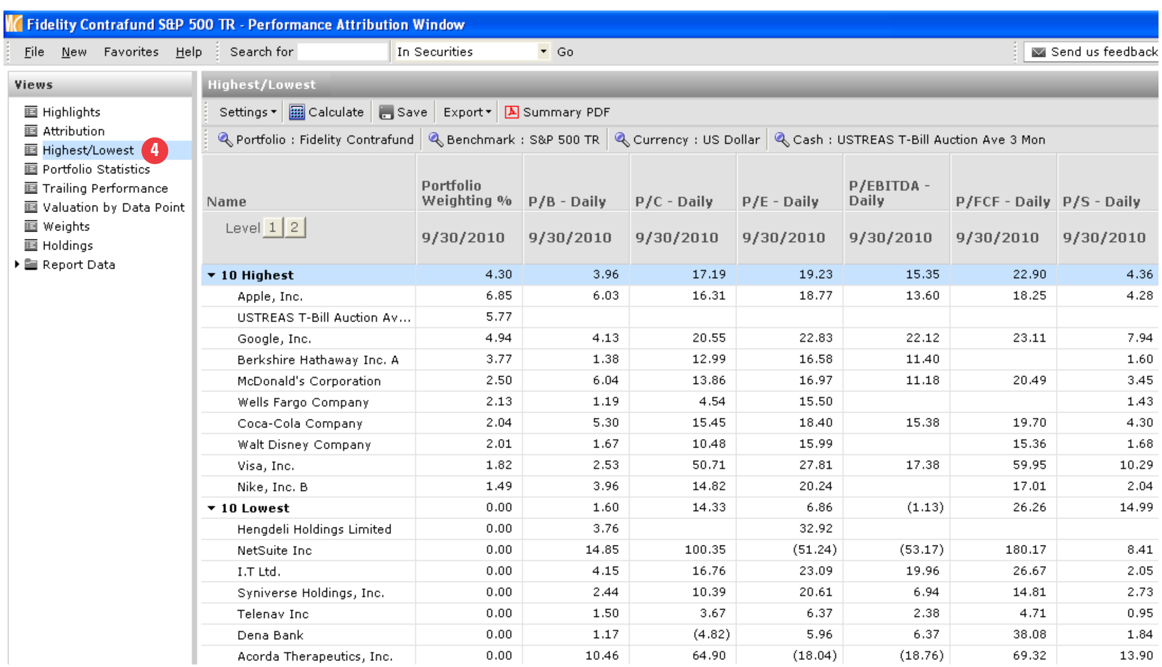
2. Go to the *Attribution* view to interpret the results at the classification and security level. In this example, two levels are displayed. Level 1 is the Sector breakdown and Level 2 is the security breakdown (i.e. Healthcare Services sector).



Name	% Benchmark	+/-	Rescaled Weights % Portfolio	Benchmark	+/-	Return % Portfolio	Benchmark	+/-	Contribution to Return % Portfolio	Benchmark	+/-
Business Services	3.13	(0.49)	2.69	3.13	(0.44)	9.94	9.46	0.48	0.27	0.30	(0.02)
Consumer Goods	11.33	(1.11)	10.41	11.33	(0.93)	8.90	8.75	0.15	0.93	0.99	(0.06)
Consumer Services	8.46	3.95	12.62	8.46	4.17	9.77	10.08	(0.32	1.20	0.85	0.36
Energy	11.32	(6.28)	5.11	11.32	(6.21)	20.86	21.49	(0.63	1.04	2.36	(1.32)
Financial Services	15.91	(5.42)	10.66	15.91	(5.25)	3.96	11.25	(7.28	0.43	1.82	(1.39)
Hardware	8.96	8.40	17.68	8.96	8.72	14.39	11.54	2.85	2.50	1.02	1.48
Healthcare Services	11.35	(4.37)	6.95	11.35	(4.41)	3.47	3.45	0.02	0.25	0.40	(0.15)
Abbott Laboratories	0.73	0.23	0.98	0.73	0.25	(7.53)	(7.53)	0.00	(0.08)	(0.06)	(0.02)
Abraxis BioScience, Inc.	0.00	0.00	0.01	0.00	0.01	1.18			0.00	0.00	0.00
Acorda Therapeutics, Inc.	0.00	0.00	0.00	0.00	0.00	(18.11)			(0.00)	0.00	(0.00)
Aetna, Inc.	0.12	(0.12)	0.00	0.12	(0.12)		(3.36)		0.00	(0.00)	0.00
Alcon, Inc.	0.00	0.09	0.09	0.00	0.09	(2.03)			(0.00)	0.00	(0.00)
Alexion Pharmaceuticals, I...	0.00	0.12	0.12	0.00	0.12	25.16			0.03	0.00	0.03
Allergan, Inc.	0.20	(0.17)	0.03	0.20	(0.17)	3.29	3.29	0.00	0.00	0.01	(0.01)
American Medical Systems...	0.00	0.01	0.01	0.00	0.01	(3.68)			0.00	0.00	0.00
AmerisourceBergen Corpo...	0.08	(0.08)	0.00	0.08	(0.08)	7.08	11.64	(4.56	0.00	0.01	(0.01)
Amgen, Inc.	0.50	(0.50)	0.00	0.50	(0.50)		(0.38)		0.00	(0.00)	0.00
Anthera Pharmaceuticals Inc	0.00	0.00	0.00	0.00	0.00	(22.17)			(0.00)	0.00	(0.00)
Aspen Pharmacare Holding...	0.00	0.01	0.01	0.00	0.01	3.48			0.00	0.00	0.00
AstraZeneca PLC	0.00	0.48	0.50	0.00	0.50	(8.45)			(0.04)	0.00	(0.04)

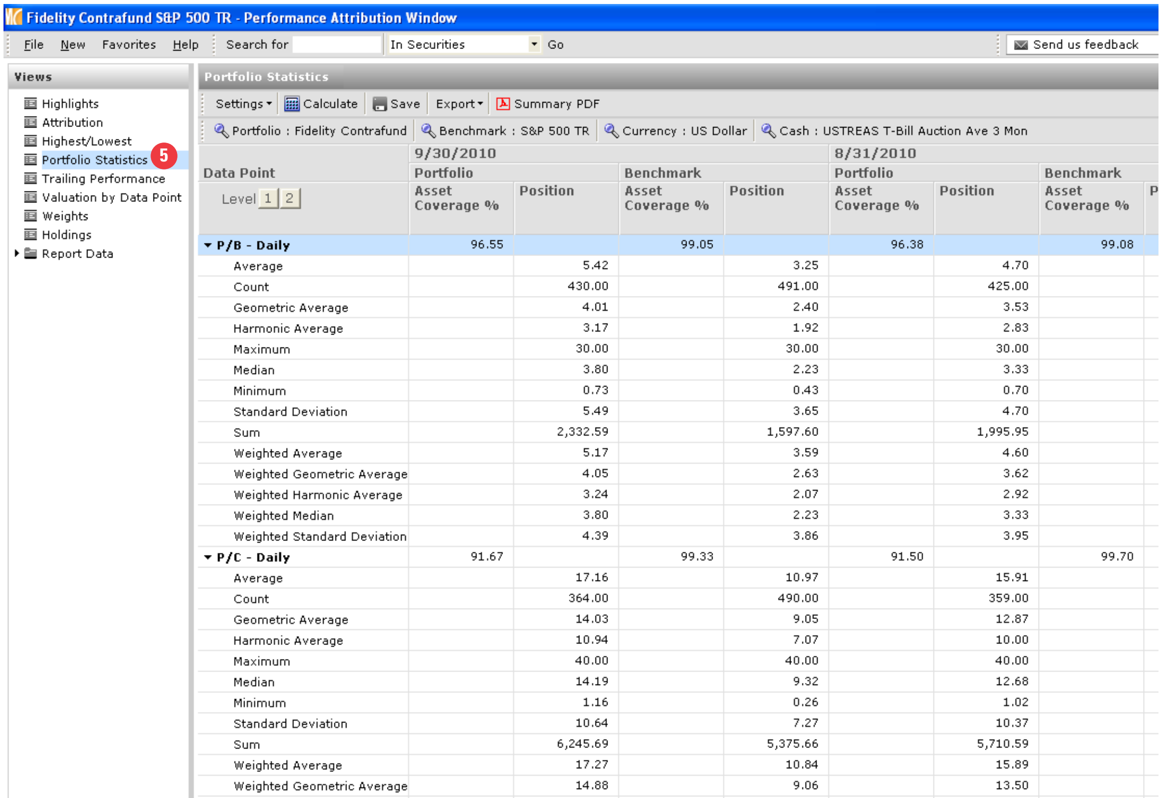
3. Go to the *Holdings Display* drop-down where you can view All holdings that pertain to both the portfolio and benchmark or Portfolio-only holdings.

4. Go to the *Highest/Lowest* view to analyze the valuation results for the highest weighted and lowest weighted securities in the portfolio.



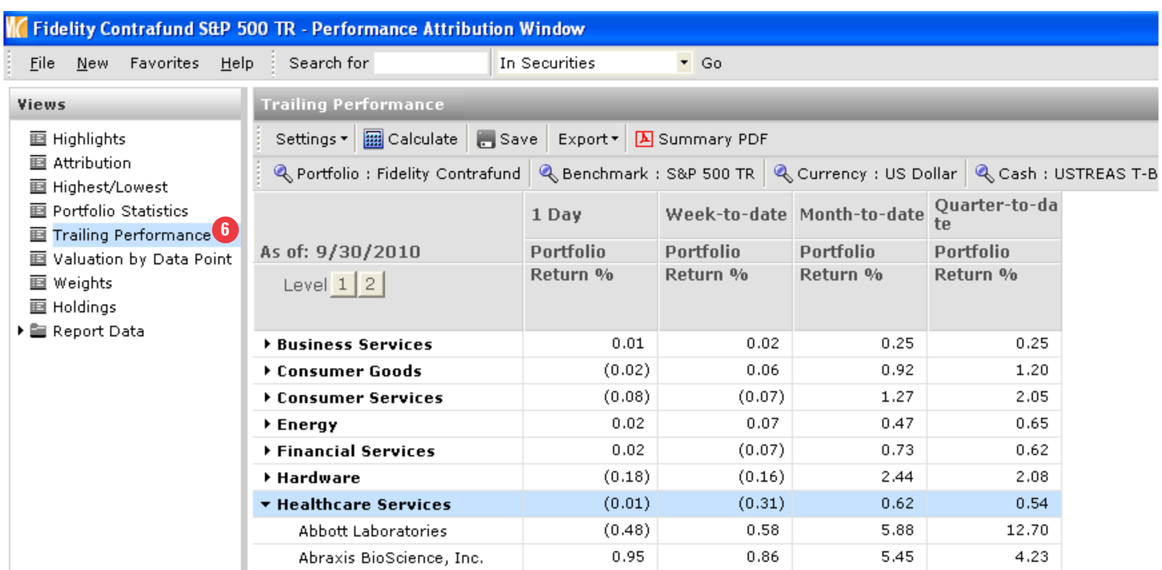
Name	Portfolio Weighting % 9/30/2010	P/B - Daily 9/30/2010	P/C - Daily 9/30/2010	P/E - Daily 9/30/2010	P/EBITDA - Daily 9/30/2010	P/FCF - Daily 9/30/2010	P/S - Daily 9/30/2010
10 Highest	4.30	3.96	17.19	19.23	15.35	22.90	4.36
Apple, Inc.	6.85	6.03	16.31	18.77	13.60	18.25	4.28
USTREAS T-Bill Auction Av...	5.77						
Google, Inc.	4.94	4.13	20.55	22.83	22.12	23.11	7.94
Berkshire Hathaway Inc. A	3.77	1.38	12.99	16.58	11.40		1.60
McDonald's Corporation	2.50	6.04	13.86	16.97	11.18	20.49	3.45
Wells Fargo Company	2.13	1.19	4.54	15.50			1.43
Coca-Cola Company	2.04	5.30	15.45	18.40	15.38	19.70	4.30
Walt Disney Company	2.01	1.67	10.48	15.99		15.36	1.68
Visa, Inc.	1.82	2.53	50.71	27.81	17.38	59.95	10.29
Nike, Inc. B	1.49	3.96	14.82	20.24		17.01	2.04
10 Lowest	0.00	1.60	14.33	6.86	(1.13)	26.26	14.99
Hengdeli Holdings Limited	0.00	3.76		32.92			
NetSuite Inc	0.00	14.85	100.35	(51.24)	(53.17)	180.17	8.41
I.T Ltd.	0.00	4.15	16.76	23.09	19.96	26.67	2.05
Syniverse Holdings, Inc.	0.00	2.44	10.39	20.61	6.94	14.81	2.73
Telenav Inc	0.00	1.50	3.67	6.37	2.38	4.71	0.95
Dena Bank	0.00	1.17	(4.82)	5.96	6.37	38.08	1.84
Acorda Therapeutics, Inc.	0.00	10.46	64.90	(18.04)	(18.76)	69.32	13.90

5. Go to the *Portfolio Statistics* view to compare the valuation results of the portfolio to its benchmark.



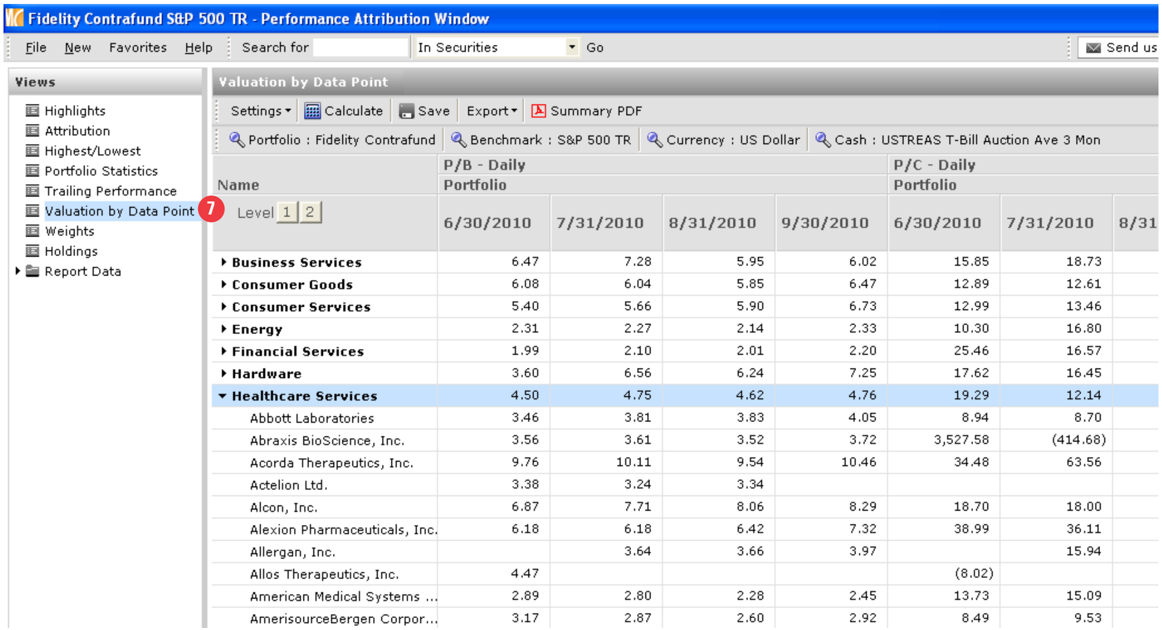
Data Point	9/30/2010 Portfolio Asset Coverage %	9/30/2010 Portfolio Position	9/30/2010 Benchmark Asset Coverage %	9/30/2010 Benchmark Position	8/31/2010 Portfolio Asset Coverage %	8/31/2010 Portfolio Position	8/31/2010 Benchmark Asset Coverage %
P/B - Daily	96.55		99.05		96.38		99.08
Average		5.42		3.25		4.70	
Count		430.00		491.00		425.00	
Geometric Average		4.01		2.40		3.53	
Harmonic Average		3.17		1.92		2.83	
Maximum		30.00		30.00		30.00	
Median		3.80		2.23		3.33	
Minimum		0.73		0.43		0.70	
Standard Deviation		5.49		3.65		4.70	
Sum		2,332.59		1,597.60		1,995.95	
Weighted Average		5.17		3.59		4.60	
Weighted Geometric Average		4.05		2.63		3.62	
Weighted Harmonic Average		3.24		2.07		2.92	
Weighted Median		3.80		2.23		3.33	
Weighted Standard Deviation		4.39		3.86		3.95	
P/C - Daily	91.67		99.33		91.50		99.70
Average		17.16		10.97		15.91	
Count		364.00		490.00		359.00	
Geometric Average		14.03		9.05		12.87	
Harmonic Average		10.94		7.07		10.00	
Maximum		40.00		40.00		40.00	
Median		14.19		9.32		12.68	
Minimum		1.16		0.26		1.02	
Standard Deviation		10.64		7.27		10.37	
Sum		6,245.69		5,375.66		5,710.59	
Weighted Average		17.27		10.84		15.89	
Weighted Geometric Average		14.88		9.06		13.50	

6. Go to the *Trailing Performance* view to analyze the results for various time periods by grouping and security levels.



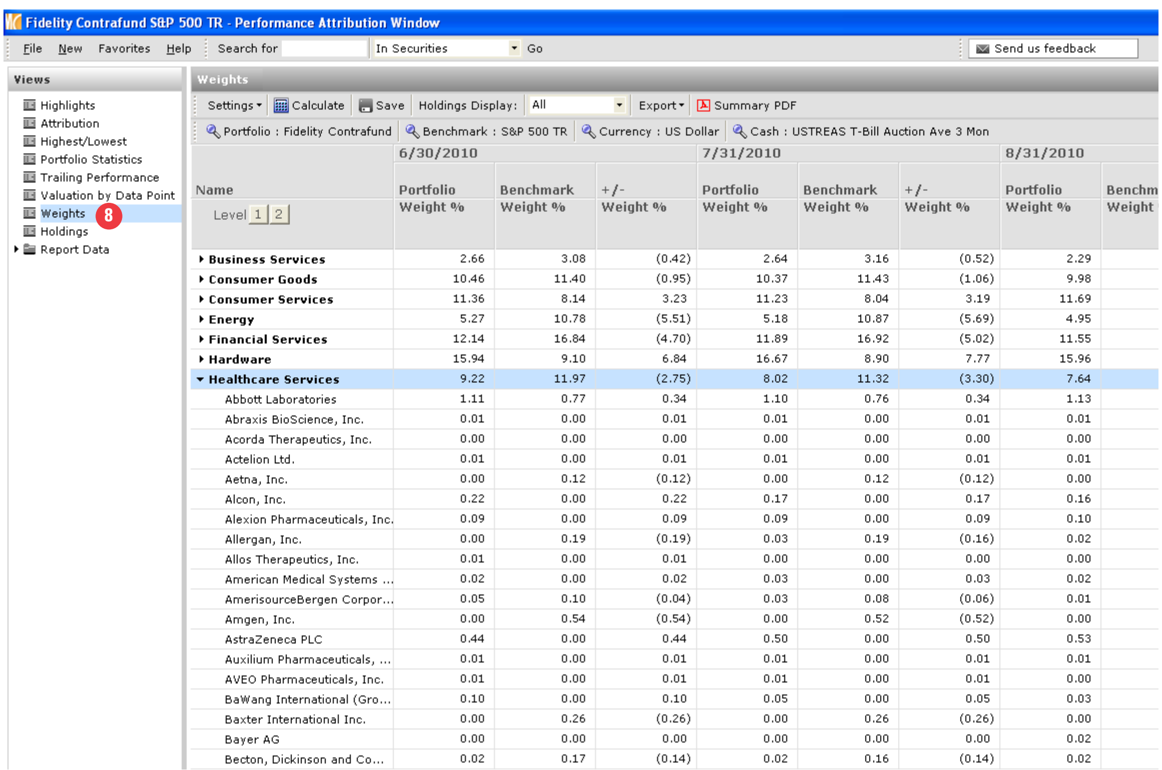
As of: 9/30/2010	1 Day Portfolio Return %	Week-to-date Portfolio Return %	Month-to-date Portfolio Return %	Quarter-to-date Portfolio Return %
Business Services	0.01	0.02	0.25	0.25
Consumer Goods	(0.02)	0.06	0.92	1.20
Consumer Services	(0.08)	(0.07)	1.27	2.05
Energy	0.02	0.07	0.47	0.65
Financial Services	0.02	(0.07)	0.73	0.62
Hardware	(0.18)	(0.16)	2.44	2.08
Healthcare Services	(0.01)	(0.31)	0.62	0.54
Abbott Laboratories	(0.48)	0.58	5.88	12.70
Abraxis BioScience, Inc.	0.95	0.86	5.45	4.23

7. Go to the *Valuation by Data Point* view to analyze the valuation data points by grouping and security levels.



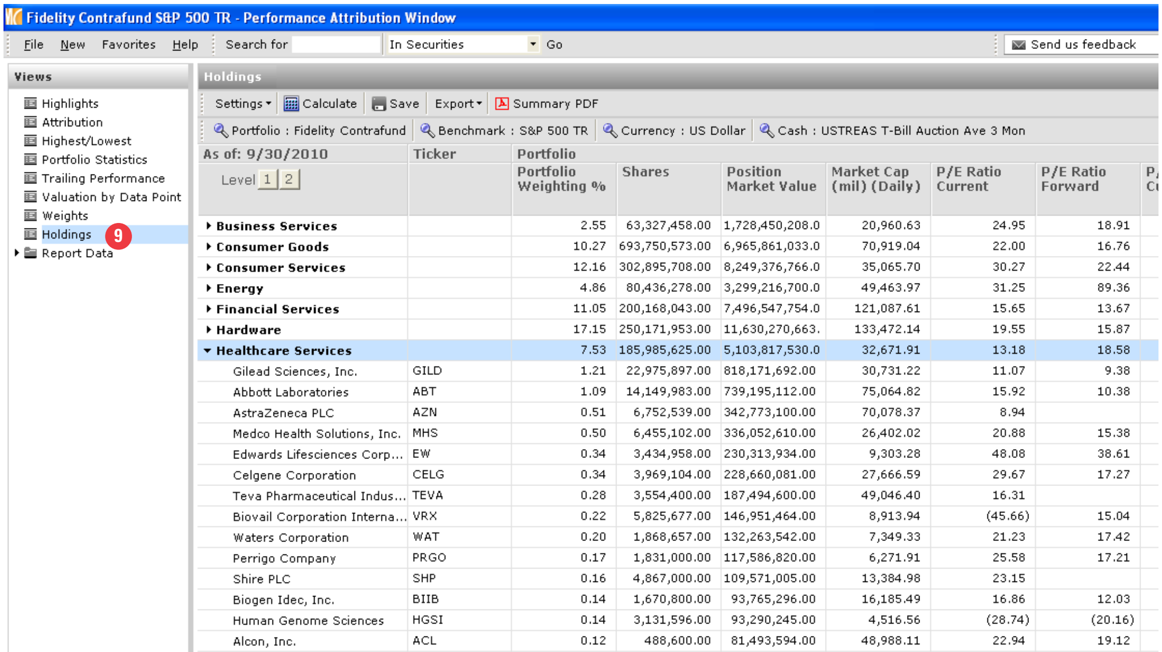
Name	P/B - Daily Portfolio 6/30/2010	7/31/2010	8/31/2010	9/30/2010	P/C - Daily Portfolio 6/30/2010	7/31/2010	8/31
Business Services	6.47	7.28	5.95	6.02	15.85	18.73	
Consumer Goods	6.08	6.04	5.85	6.47	12.89	12.61	
Consumer Services	5.40	5.66	5.90	6.73	12.99	13.46	
Energy	2.31	2.27	2.14	2.33	10.30	16.80	
Financial Services	1.99	2.10	2.01	2.20	25.46	16.57	
Hardware	3.60	6.56	6.24	7.25	17.62	16.45	
Healthcare Services	4.50	4.75	4.62	4.76	19.29	12.14	
Abbott Laboratories	3.46	3.81	3.83	4.05	8.94	8.70	
Abraxis BioScience, Inc.	3.56	3.61	3.52	3.72	3,527.58	(414.68)	
Acorda Therapeutics, Inc.	9.76	10.11	9.54	10.46	34.48	63.56	
Actelion Ltd.	3.38	3.24	3.34				
Alcon, Inc.	6.87	7.71	8.06	8.29	18.70	18.00	
Alexion Pharmaceuticals, Inc.	6.18	6.18	6.42	7.32	38.99	36.11	
Allergan, Inc.		3.64	3.66	3.97		15.94	
Allos Therapeutics, Inc.	4.47				(8.02)		
American Medical Systems ...	2.89	2.80	2.28	2.45	13.73	15.09	
AmerisourceBergen Corpor...	3.17	2.87	2.60	2.92	8.49	9.53	

8. Go to the *Weights* view to compare the weight of the portfolio to the benchmark by grouping and security levels.



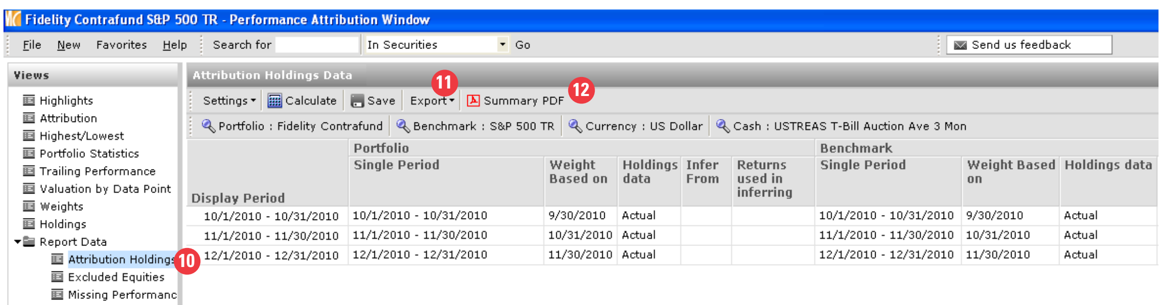
Name	6/30/2010 Portfolio Weight %	Benchmark Weight %	+/- Weight %	7/31/2010 Portfolio Weight %	Benchmark Weight %	+/- Weight %	8/31/2010 Portfolio Weight %	Benchm Weight
Business Services	2.66	3.08	(0.42)	2.64	3.16	(0.52)	2.29	
Consumer Goods	10.46	11.40	(0.95)	10.37	11.43	(1.06)	9.98	
Consumer Services	11.36	8.14	3.23	11.23	8.04	3.19	11.69	
Energy	5.27	10.78	(5.51)	5.18	10.87	(5.69)	4.95	
Financial Services	12.14	16.84	(4.70)	11.89	16.92	(5.02)	11.55	
Hardware	15.94	9.10	6.84	16.67	8.90	7.77	15.96	
Healthcare Services	9.22	11.97	(2.75)	8.02	11.32	(3.30)	7.64	
Abbott Laboratories	1.11	0.77	0.34	1.10	0.76	0.34	1.13	
Abraxis BioScience, Inc.	0.01	0.00	0.01	0.01	0.00	0.01	0.01	
Acorda Therapeutics, Inc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Actelion Ltd.	0.01	0.00	0.01	0.01	0.00	0.01	0.01	
Aetna, Inc.	0.00	0.12	(0.12)	0.00	0.12	(0.12)	0.00	
Alcon, Inc.	0.22	0.00	0.22	0.17	0.00	0.17	0.16	
Alexion Pharmaceuticals, Inc.	0.09	0.00	0.09	0.09	0.00	0.09	0.10	
Allergan, Inc.	0.00	0.19	(0.19)	0.03	0.19	(0.16)	0.02	
Allos Therapeutics, Inc.	0.01	0.00	0.01	0.00	0.00	0.00	0.00	
American Medical Systems ...	0.02	0.00	0.02	0.03	0.00	0.03	0.02	
AmerisourceBergen Corpor...	0.05	0.10	(0.04)	0.03	0.08	(0.06)	0.01	
Amgen, Inc.	0.00	0.54	(0.54)	0.00	0.52	(0.52)	0.00	
AstraZeneca PLC	0.44	0.00	0.44	0.50	0.00	0.50	0.53	
Auxilium Pharmaceuticals, ...	0.01	0.00	0.01	0.01	0.00	0.01	0.01	
AVEO Pharmaceuticals, Inc.	0.01	0.00	0.01	0.01	0.00	0.01	0.00	
BaWang International (Gro...	0.10	0.00	0.10	0.05	0.00	0.05	0.03	
Baxter International Inc.	0.00	0.26	(0.26)	0.00	0.26	(0.26)	0.00	
Bayer AG	0.00	0.00	0.00	0.00	0.00	0.00	0.02	
Becton, Dickinson and Co...	0.02	0.17	(0.14)	0.02	0.16	(0.14)	0.02	

9. Go to the *Holdings* view to display portfolio weights, market cap, and more fundamental data.



As of: 9/30/2010	Ticker	Portfolio Weighting %	Shares	Position Market Value	Market Cap (mil) (Daily)	P/E Ratio Current	P/E Ratio Forward
Business Services		2.55	63,327,458.00	1,728,450,208.0	20,960.63	24.95	18.91
Consumer Goods		10.27	693,750,573.00	6,965,861,033.0	70,919.04	22.00	16.76
Consumer Services		12.16	302,895,708.00	8,249,376,766.0	35,065.70	30.27	22.44
Energy		4.86	80,436,278.00	3,299,216,700.0	49,463.97	31.25	89.36
Financial Services		11.05	200,168,043.00	7,496,547,754.0	121,087.61	15.65	13.67
Hardware		17.15	250,171,953.00	11,630,270,663.	133,472.14	19.55	15.87
Healthcare Services		7.53	185,985,625.00	5,103,817,530.0	32,671.91	13.18	18.58
Gilead Sciences, Inc.	GILD	1.21	22,975,897.00	818,171,692.00	30,731.22	11.07	9.38
Abbott Laboratories	ABT	1.09	14,149,983.00	739,195,112.00	75,064.82	15.92	10.38
AstraZeneca PLC	AZN	0.51	6,752,539.00	342,773,100.00	70,078.37	8.94	
Medco Health Solutions, Inc.	MHS	0.50	6,455,102.00	336,052,610.00	26,402.02	20.88	15.38
Edwards Lifesciences Corp...	EW	0.34	3,434,958.00	230,313,934.00	9,303.28	48.08	38.61
Celgene Corporation	CELG	0.34	3,969,104.00	228,660,081.00	27,666.59	29.67	17.27
Teva Pharmaceutical Indus...	TEVA	0.28	3,554,400.00	187,494,600.00	49,046.40	16.31	
Biovail Corporation Interna...	VRX	0.22	5,825,677.00	146,951,464.00	8,913.94	(45.66)	15.04
Waters Corporation	WAT	0.20	1,868,657.00	132,263,542.00	7,349.33	21.23	17.42
Perrigo Company	PRGO	0.17	1,831,000.00	117,586,820.00	6,271.91	25.58	17.21
Shire PLC	SHP	0.16	4,867,000.00	109,571,005.00	13,384.98	23.15	
Biogen Idec, Inc.	BIIB	0.14	1,670,800.00	93,765,296.00	16,185.49	16.86	12.03
Human Genome Sciences	HGSI	0.14	3,131,596.00	93,290,245.00	4,516.56	(28.74)	(20.16)
Alcon, Inc.	ACL	0.12	488,600.00	81,493,594.00	48,988.11	22.94	19.12

10. In the Report Data view, you will find details on Attribution Holding Data, Excluded Equities, and Missing Performance. Click on *Attribution Holdings Data* to display portfolios used in inferring the returns.



	Portfolio					Benchmark		
Display Period	Single Period	Weight Based on	Holdings data	Infer From	Returns used in inferring	Single Period	Weight Based on	Holdings data
10/1/2010 - 10/31/2010	10/1/2010 - 10/31/2010	9/30/2010	Actual			10/1/2010 - 10/31/2010	9/30/2010	Actual
11/1/2010 - 11/30/2010	11/1/2010 - 11/30/2010	10/31/2010	Actual			11/1/2010 - 11/30/2010	10/31/2010	Actual
12/1/2010 - 12/31/2010	12/1/2010 - 12/31/2010	11/30/2010	Actual			12/1/2010 - 12/31/2010	11/30/2010	Actual

11. Click *Export* to export all views or the current view on your screen.

12. Click *Summary PDF* to generate a PDF report to communicate your results with various charts and tables. To incorporate Equity Attribution charts and table to a custom presentation, see the Presentation Studio chapter.

Sample Output

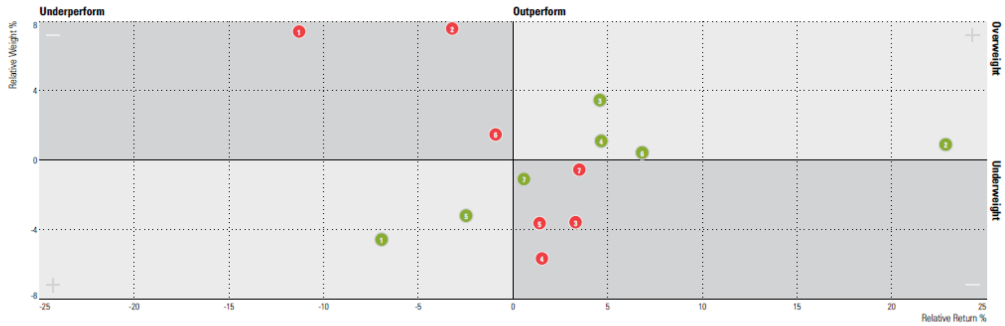
Page 4 of 8 | Calculated: 12/9/2010 | Printed: 12/9/2010

Fidelity Contrafund S&P 500 TR

Portfolio	Benchmark	Currency
Fidelity Contrafund	S&P 500 TR	US Dollar

Attribution Allocation Effects 7/1/2010 to 9/30/2010

Morningstar Sector - Attribution Allocation Effects

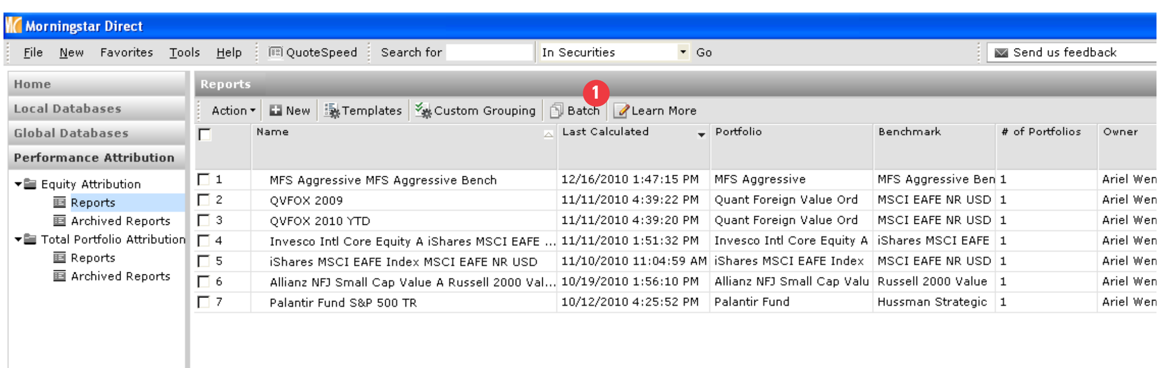


	Best Allocation	Weight +/-	Return +/-	Effect
1	Financial Services	-4.59	-6.94	0.33
2	Unclassified	0.90	22.86	0.19
3	Consumer Services	3.46	4.60	0.16
4	Software	1.10	4.67	0.05
5	Healthcare Services	-3.21	-2.47	0.04
6	Telecommunications	0.43	6.83	0.03
7	Consumer Goods	-1.10	0.58	0.01

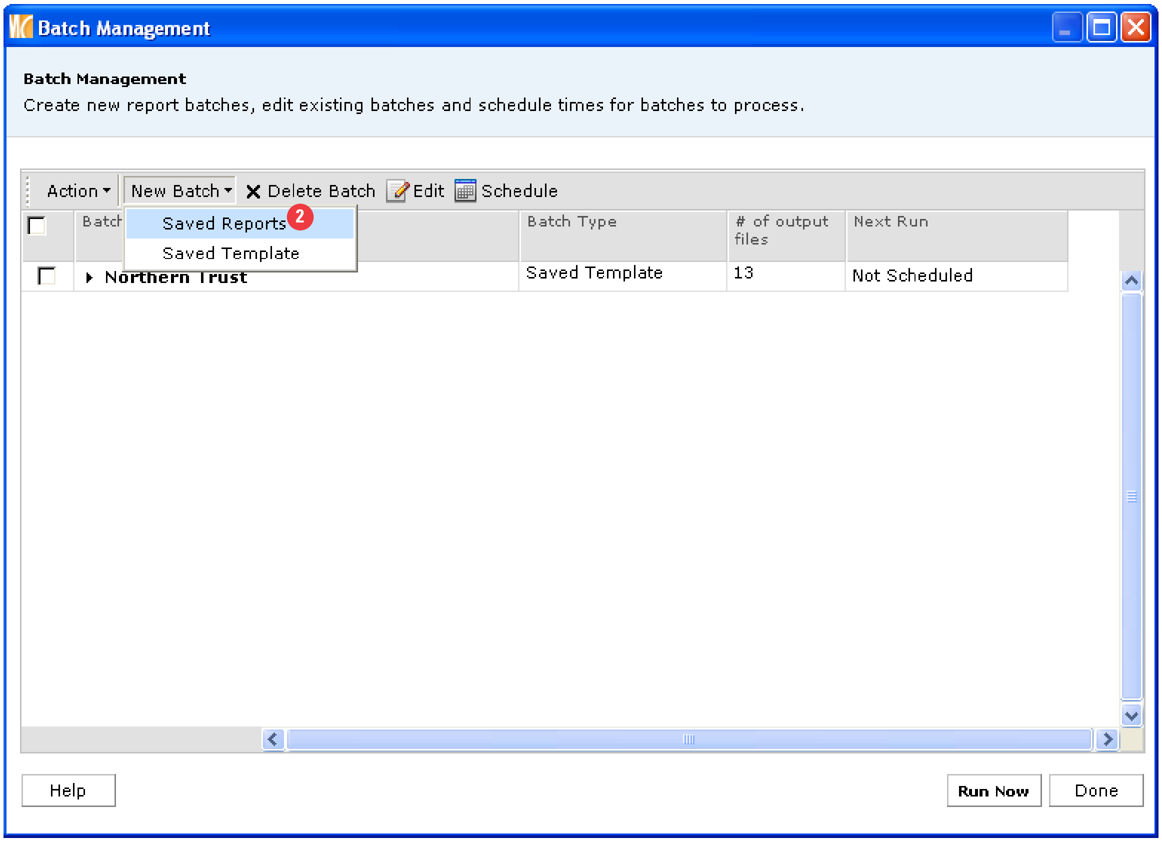
	Worst Allocation	Weight +/-	Return +/-	Effect
1	Cash	7.42	-11.29	-0.88
2	Hardware	7.59	-3.21	-0.23
3	Industrial Materials	-3.59	3.31	-0.09
4	Energy	-5.68	1.53	-0.09
5	Utilities	-3.64	1.41	-0.05
6	Media	1.48	-0.91	-0.02
7	Business Services	-0.55	3.51	-0.02

Automatically Run Reports using Batch Scheduling

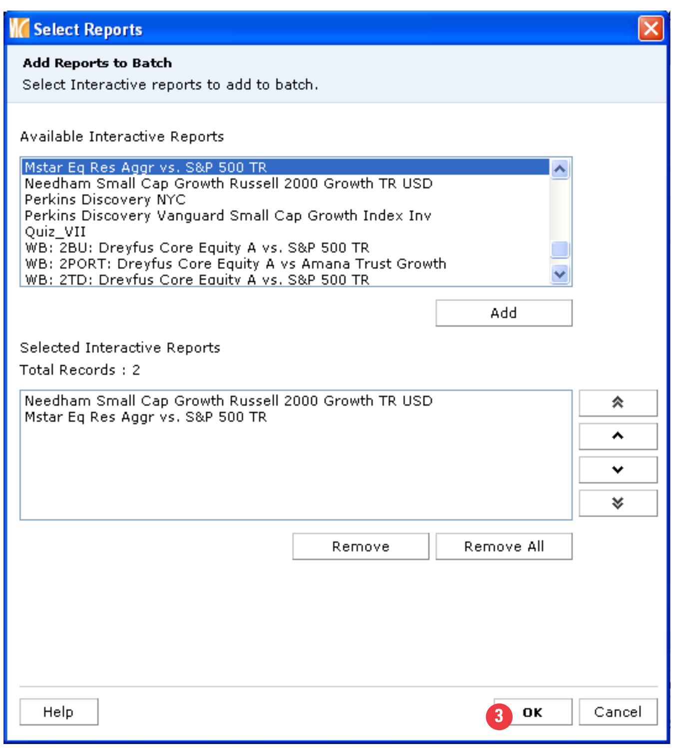
1. Once you create your report, you can schedule a batch to run reports automatically. Go to the Reports folder and click on *Batch*.



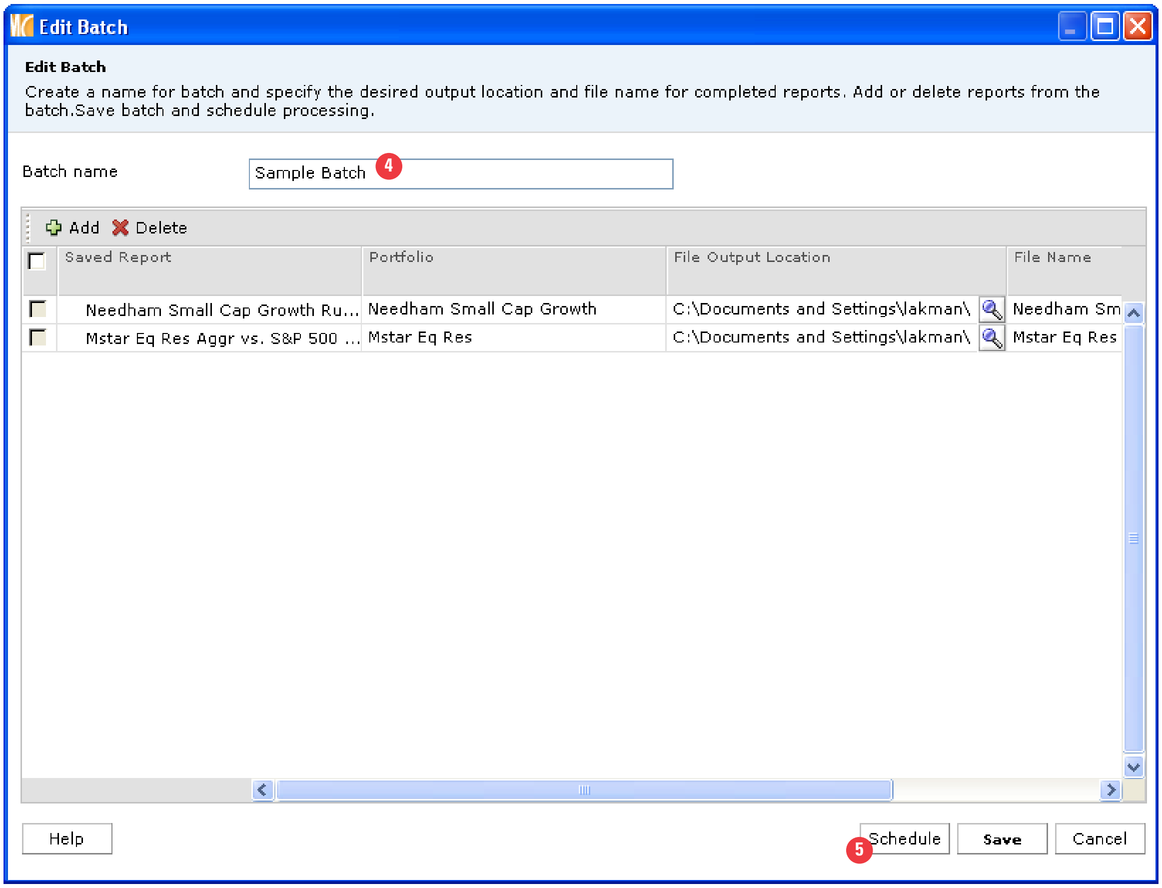
2. Go to New Batch and click on *Saved Reports*. You can also select from a Saved Template.



3. Select the desired report(s) and click *OK* to be taken to the Edit Batch dialog window.

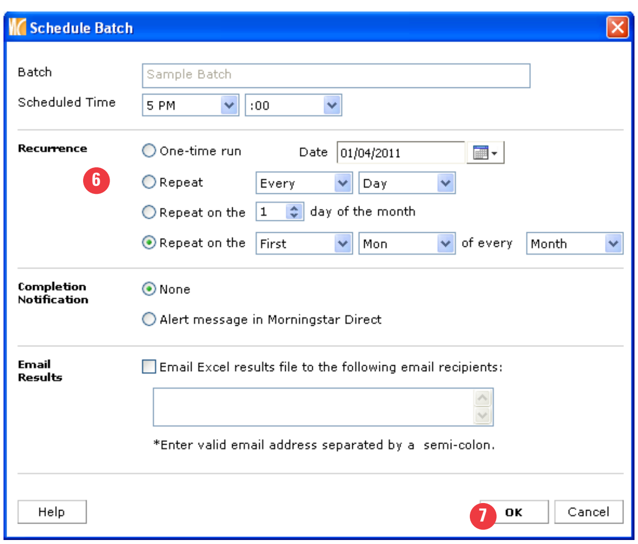


4. Give your Batch a *name*.



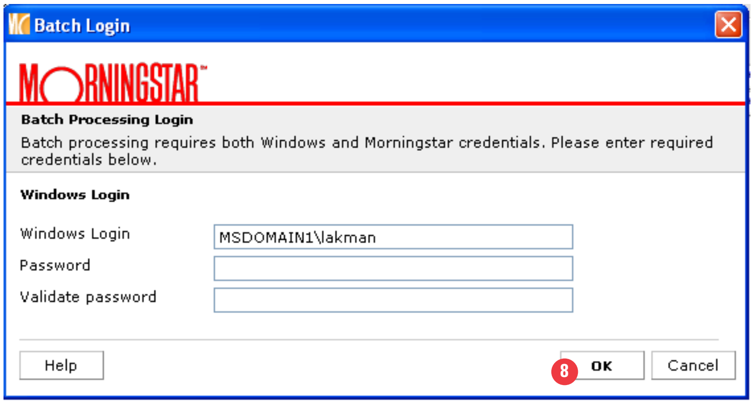
5. Once you've determined the file output location on your network drive, file name, and other settings, click *Schedule*.

6. Set your settings in the *Schedule Batch* window. You can also include the email addresses of those recipients that should receive the report once it automatically runs.

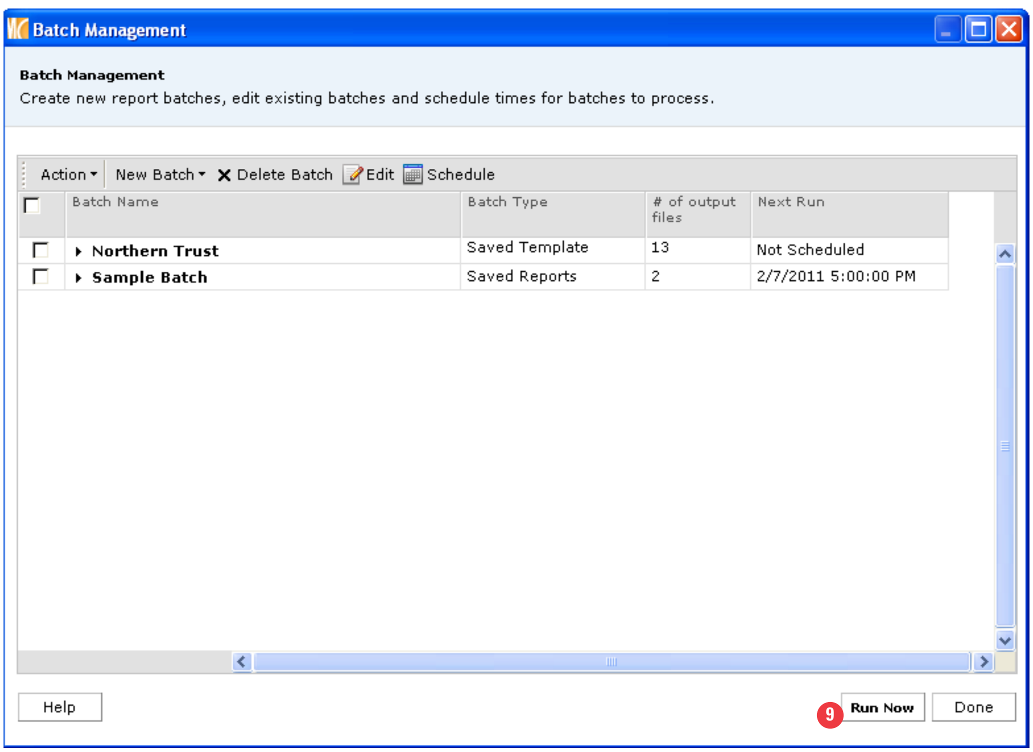


7. Click *OK* and you will be taken to the Batch Login dialog window.

8. Enter your Network Password and click *OK*.

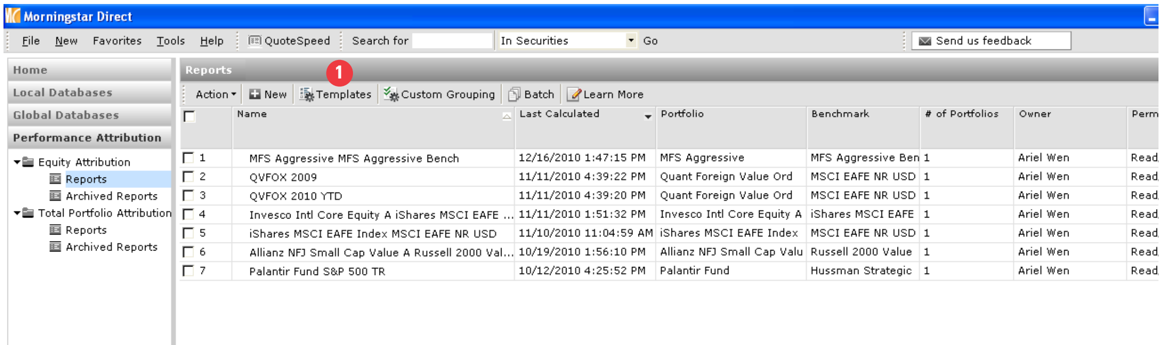


9. You have completed scheduling a Batch where your reports will automatically run based on your settings. If you chose to archive them, they will be stored in the Archived Folder under Equity Attribution. You can also choose to run the report now by clicking *Run Now*.

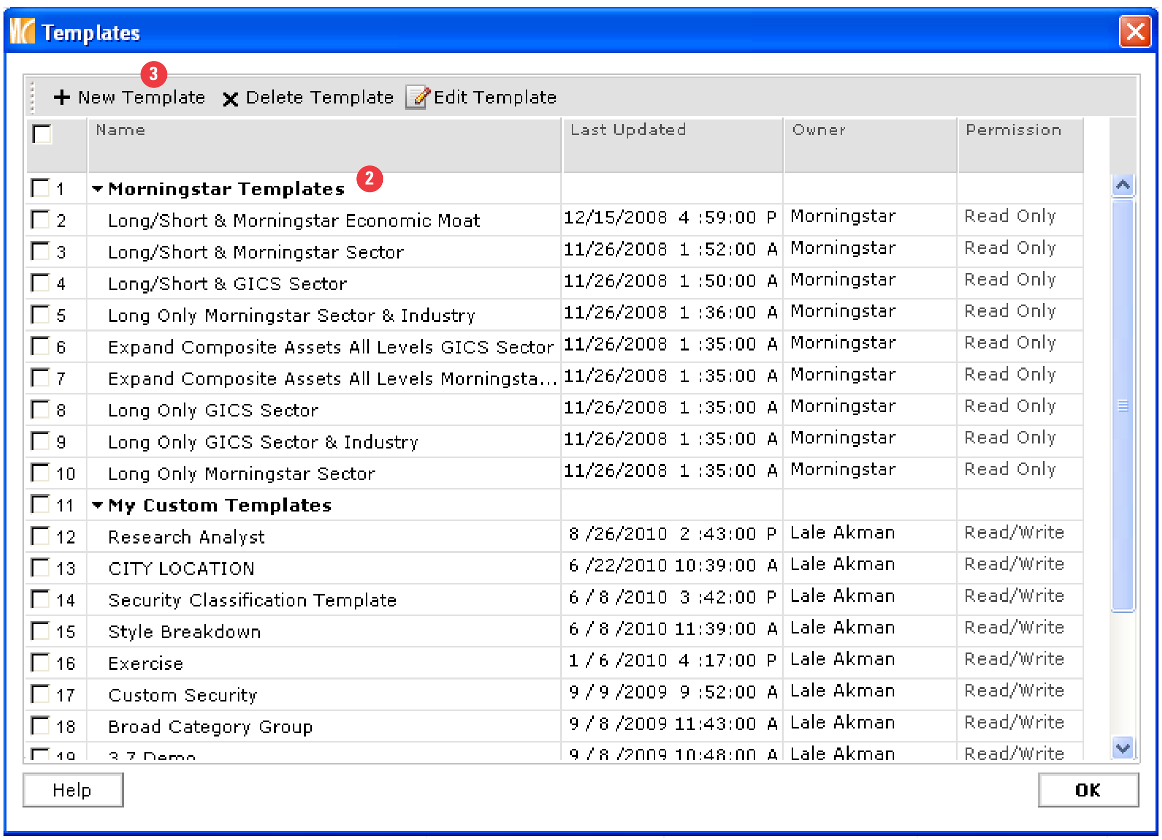


Create a Template

1. In the above exercise, we generated a report by creating new settings. You also have the option of starting your process by using a pre-canned Morningstar Templates or Custom Templates. Go to Reports and click on *Templates* to be taken to the Templates dialog window.

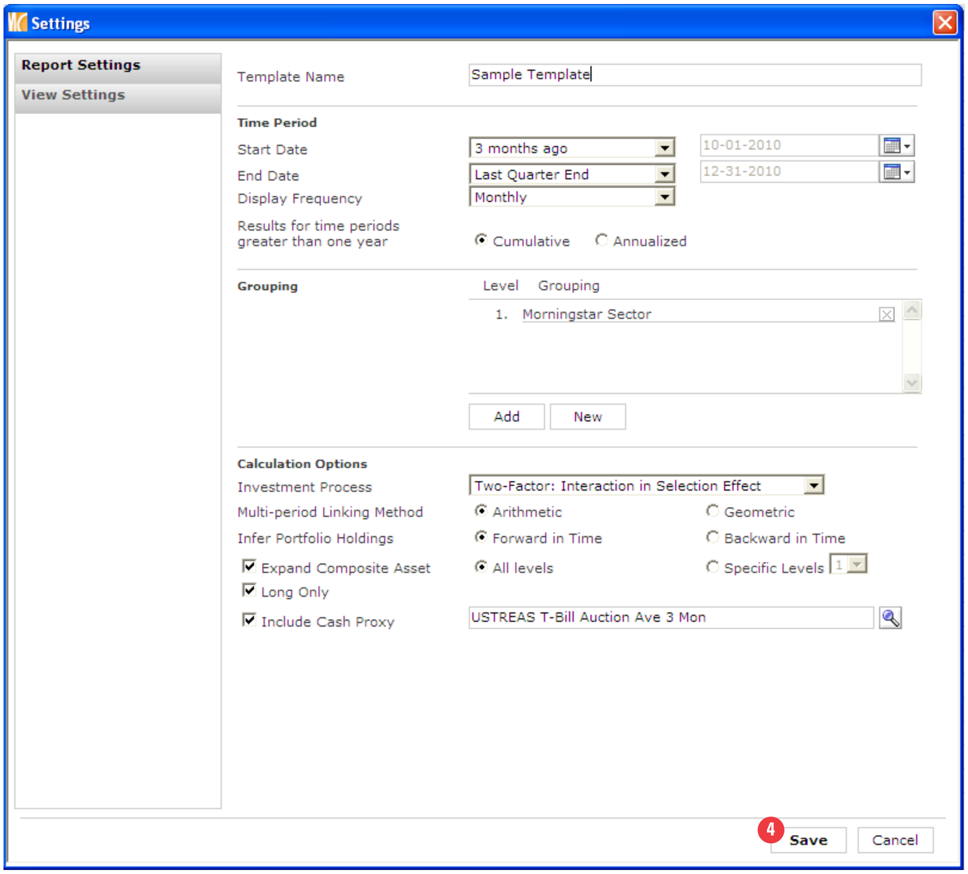


2. At the top, you will see the *Morningstar Templates*. You can use any of these reports or modify them to save as your own Custom Template.

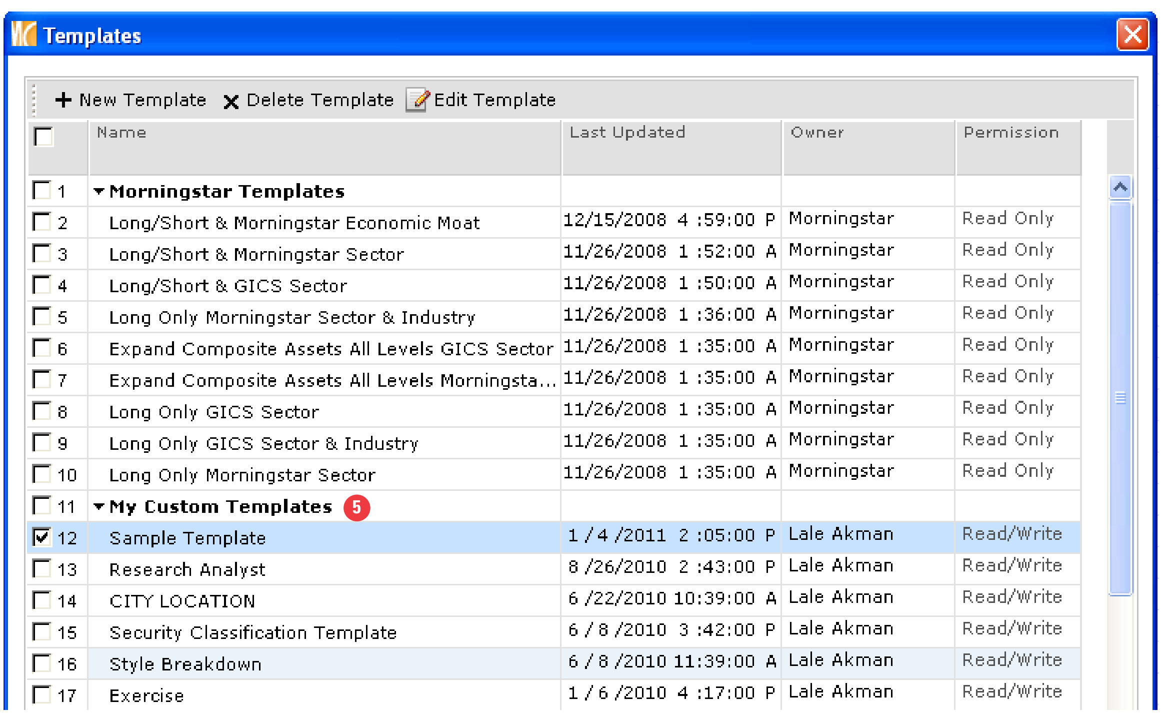


3. If you want to create a Custom Template from scratch, then click on *New Template* to begin creating your own custom template.

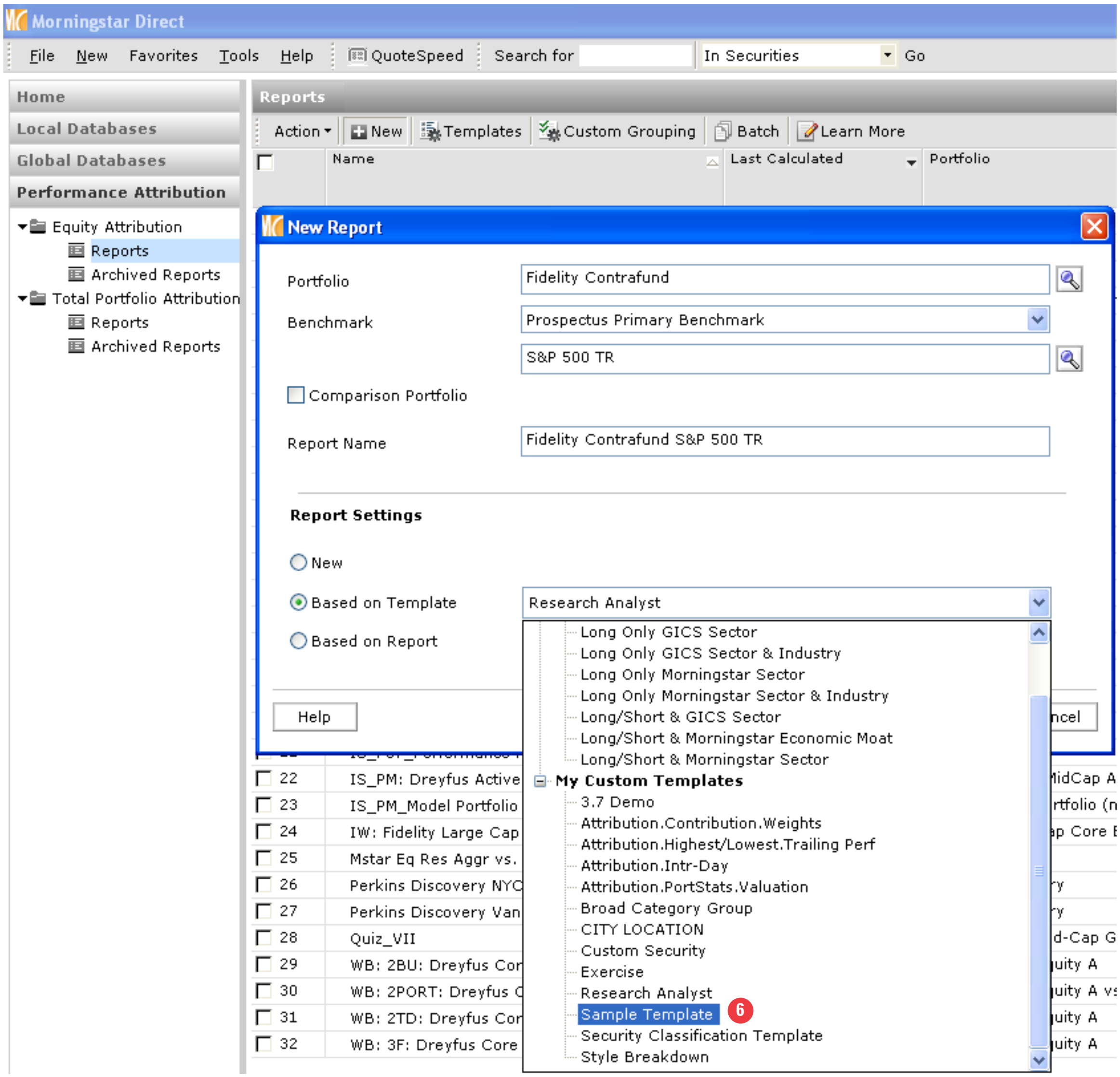
4. Once complete, click *Save*.



5. Your custom template will be stored under *My Custom Templates* in the Template window dialog box.

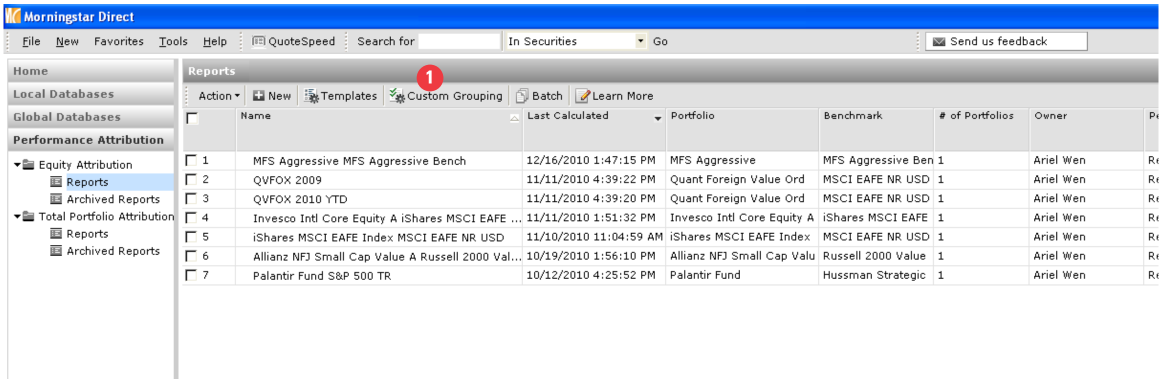


6. You can retrieve you custom template and apply it to your report from Report Settings in the New Report Dialog Box.

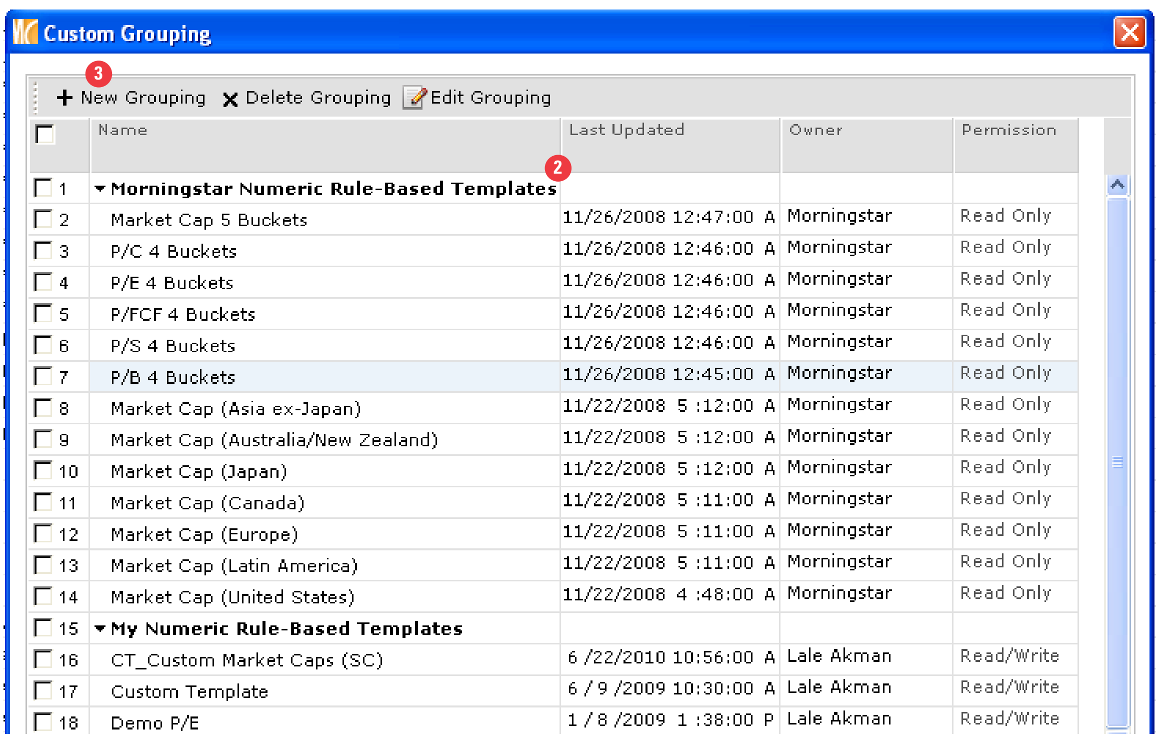


Create Custom Groupings

1. As you may have discovered in your Report Settings, you have many grouping options to decompose your results. These options also include Morningstar Numeric Rule-Based Groups or your own custom numeric rule-based groups. In order for your own custom groupings to be listed in Report Settings or to apply to your templates, you must first create the custom groupings. Go to Reports and click on *Custom Groupings* to be taken to the Custom Grouping dialog window.

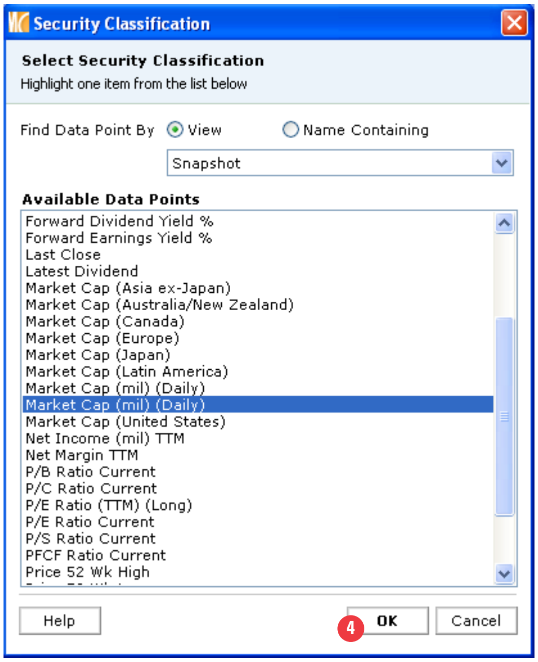


2. At the top, you will see the *Morningstar Numeric Rule-Based Groupings* where you can use them as is or modify them to save as your own Custom Numeric Rule-Based Grouping.

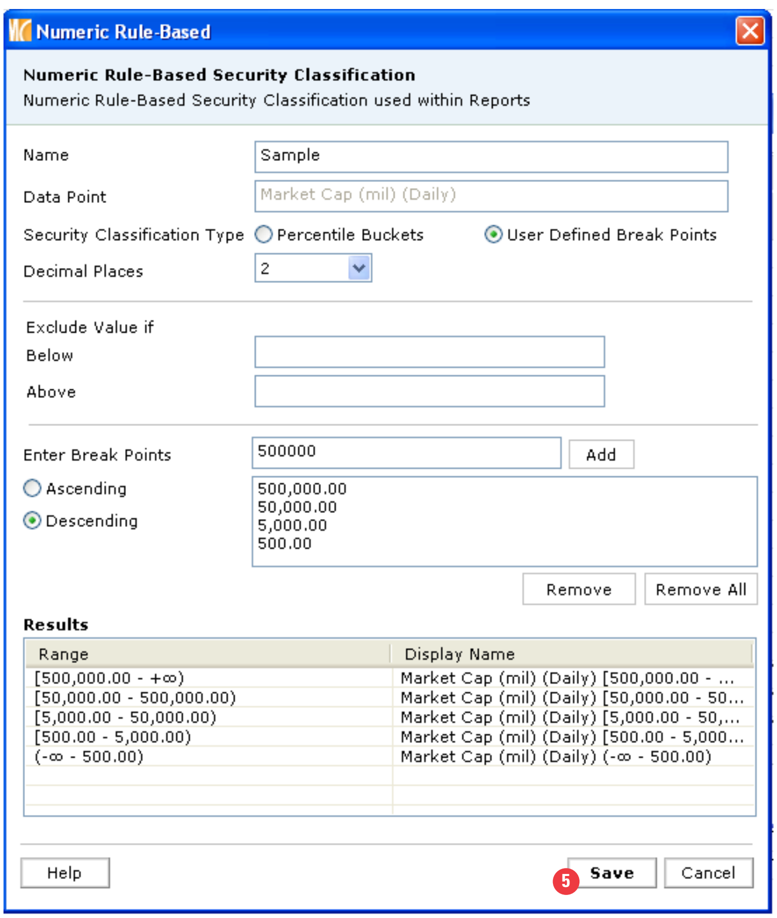


3. If you want to create your own Custom Numeric Rule-Based Grouping from scratch, then click on *New Grouping* to be taken to the Security Classification window.

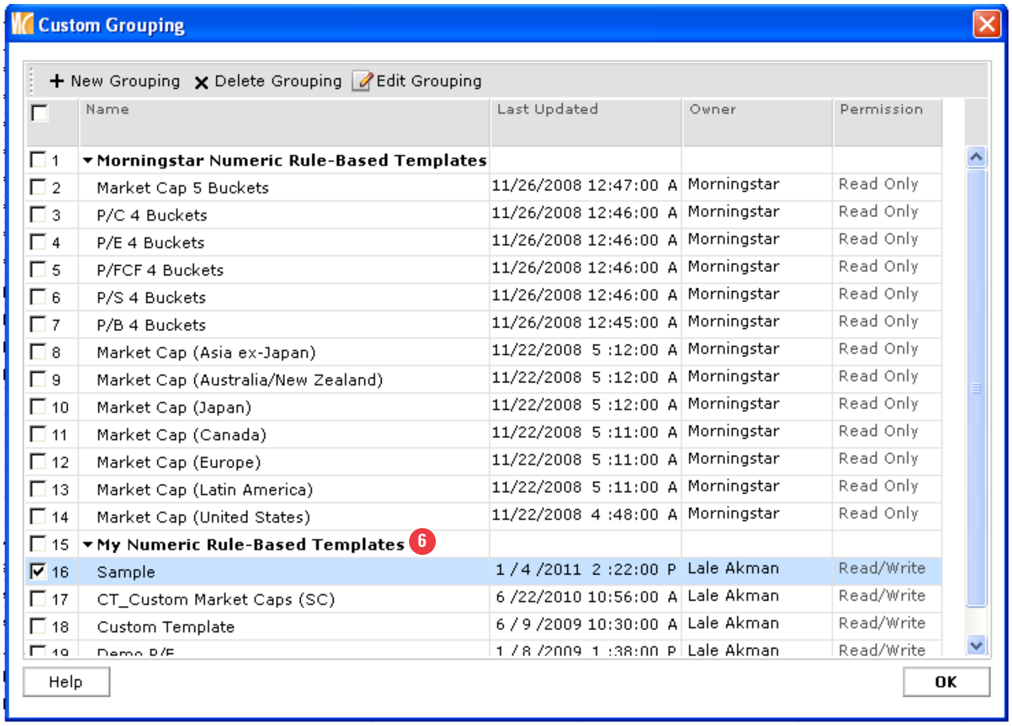
4. Select the data point of interest and click *OK*.



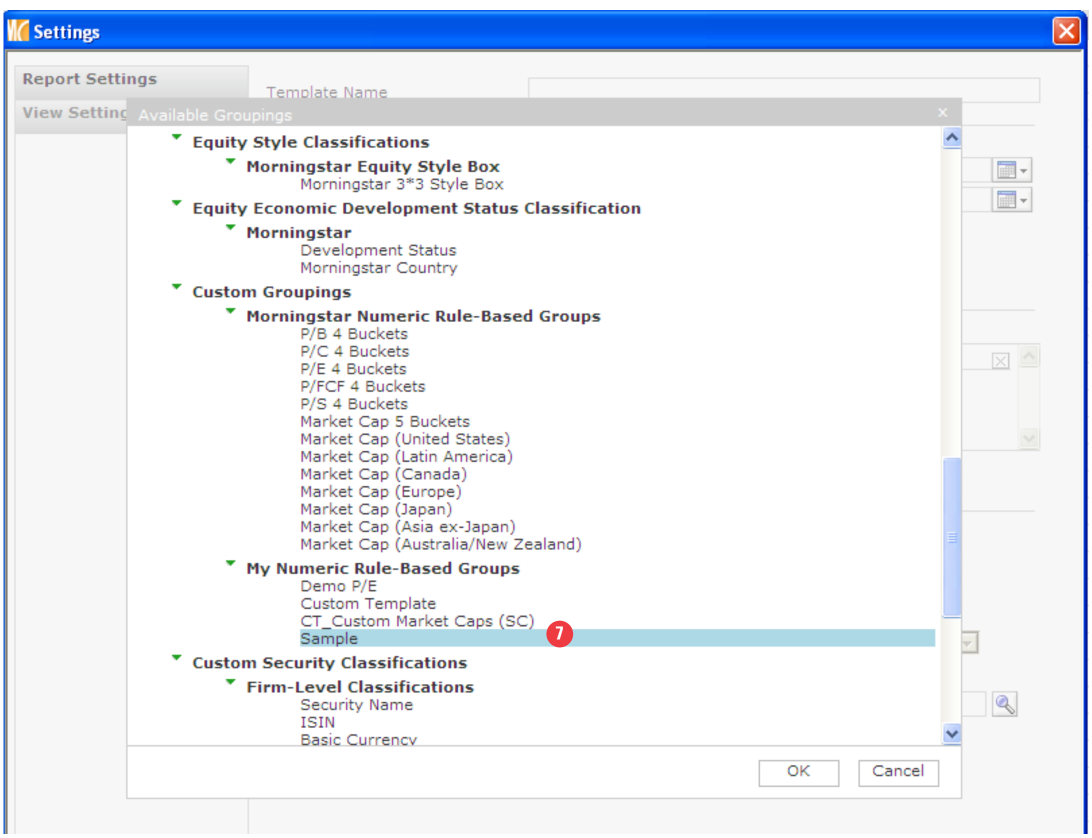
5. Once you complete your new custom numeric rule-based templates, click *Save*.



6. Your new grouping will be saved under *My Rule-Based Templates*.

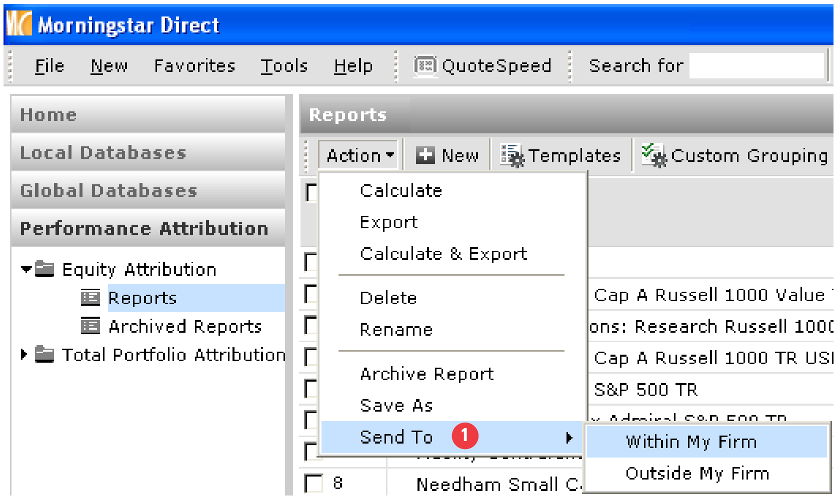


7. This custom grouping can then be applied to your custom templates in the *Report Settings View*.



Send your Reports to other Morningstar Direct Subscribers

1. Once you've created your report, you can *Send* your report to your colleague within or outside your firm.



Fund Flows

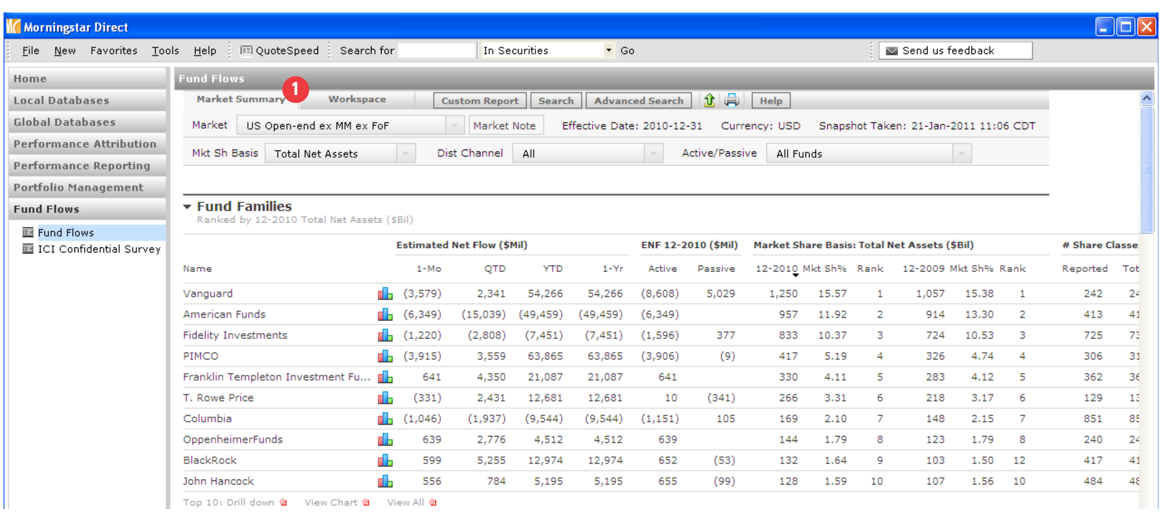
Fund Flows enables you to stay current with market trends by providing a comprehensive and timely picture of total net assets and estimated net flows across multiple geographical markets. Organic Growth Rate is also available for specific markets. Monitor broad investor trends performing competitive analysis, developing new products, and marketing managed investment products. Use simple point-and-click actions to drill down on a group of interest, as we will demonstrate shortly.

Outline

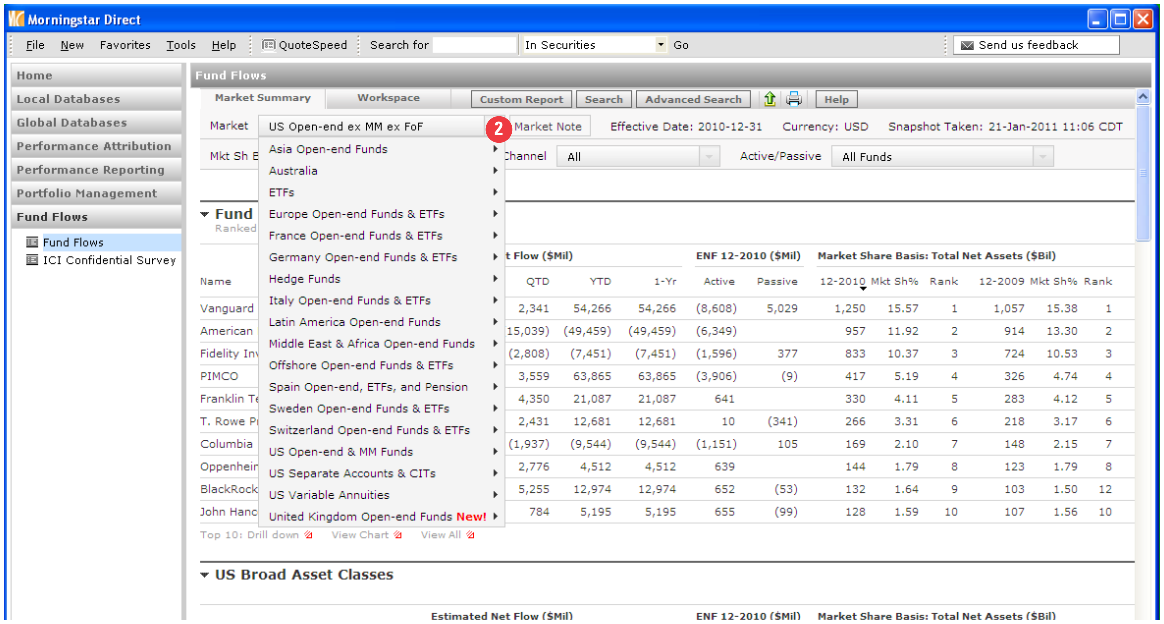
Access Aggregated Data in Market Summary
Search for a Specific Name in Grouping Variable
Create Advanced Search to Limit Search Results
Create a Custom Excel Report Based on Your Specifications
Access Workspace for Commentary Updates and More

Access Aggregated Data In Market Summary

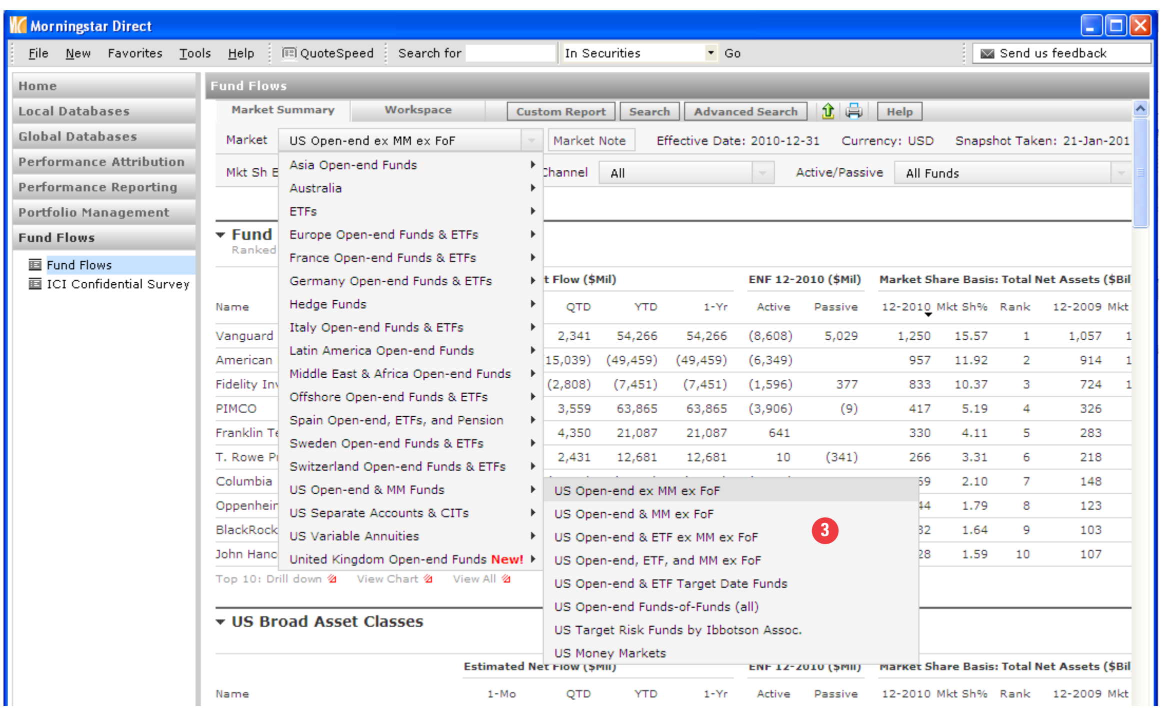
1. When you click on the Fund Flows folder, the *Market Summary* page will automatically appear. This location aggregates large sets of data (grouping variables) such as Asset Classes, Fund Families, Morningstar Categories, Institutional Categories, Active/Passive, Share Class Types, Distribution Channels and more. Within each grouping variable, you will find the local results for the given market. Certain markets such as Europe and US Variable Annuities have specific grouping variables - Branding Names for the European Markets and Investment Managers, Subaccounts, Insurance Companies, and Contracts for the US Variable Annuity Markets.



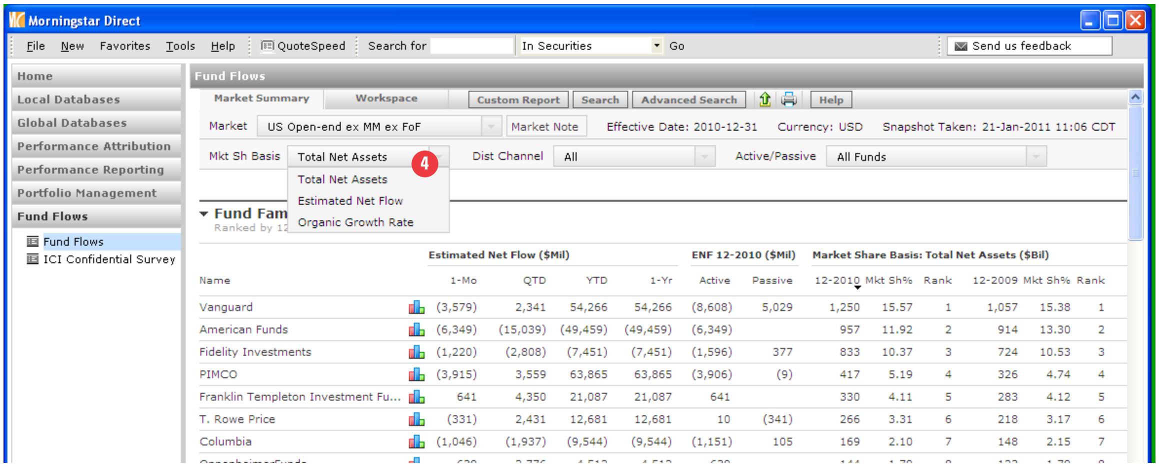
2. You have four interactive settings at the top of your view that will drive the results for each grouping variable – Market, Market Share Basis, Distribution Channel, Active/Passive. Click on the *Market* drop down to view all the available markets.



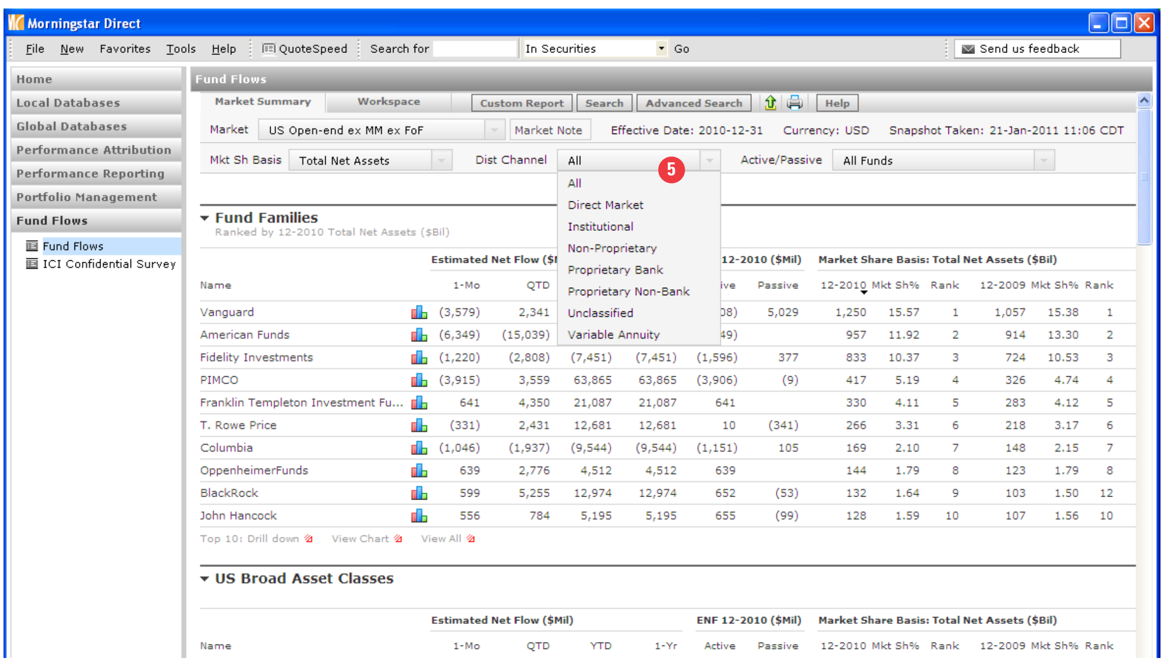
3. Go to US Open-end & MM Funds to be taken to its subview where you can activate the various choices. We will maintain the *US Open-end Ex MM ex FoF*.



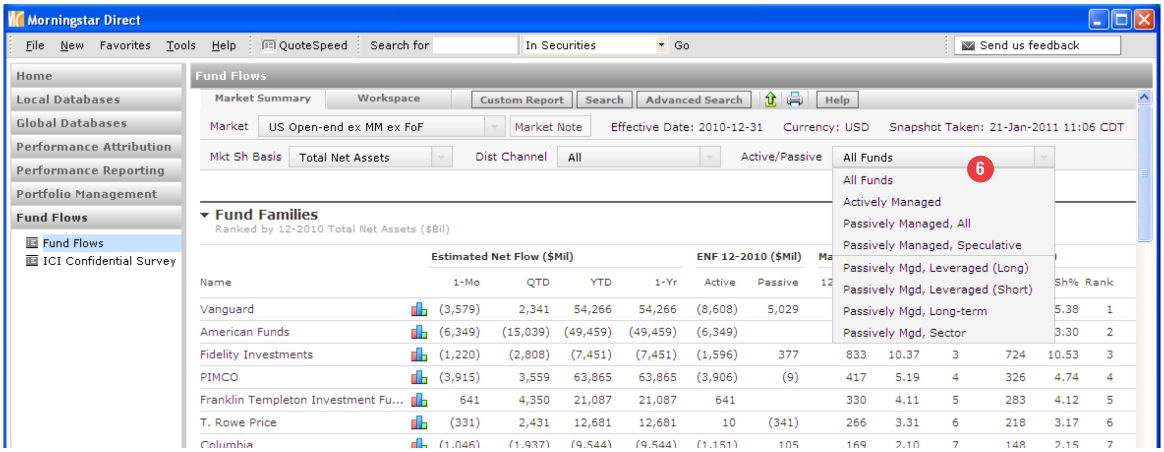
4. Next, go to the Market Share Basis drop down to activate Total Net Assets, Estimated Net Flow, or Organic Growth Rate *(availability dependent on the market)*. We will maintain *Total Net Assets*.



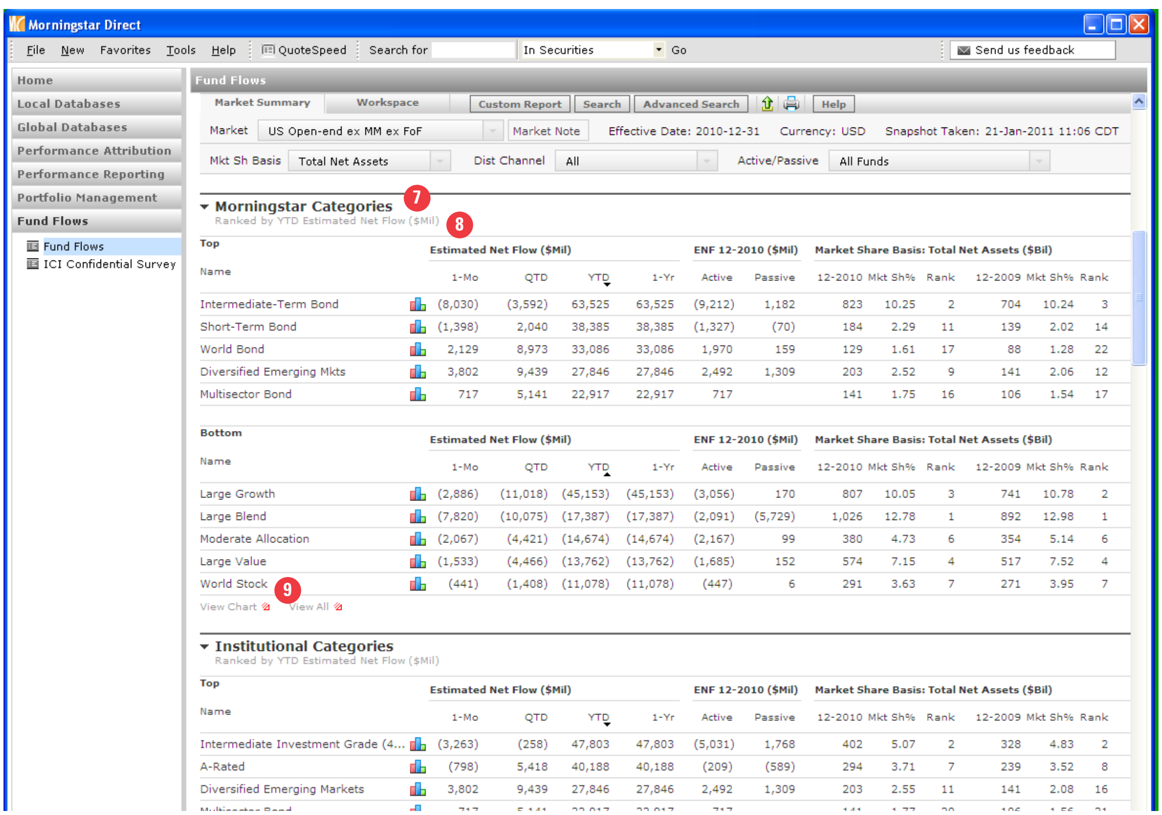
5. Go to the Distribution Channel drop down to view your Distribution Channel choices. We will maintain *All*.



6. Go to the Active/Passive drop down to view your investments by actively managed or passively managed groupings. We will maintain *All Funds*.



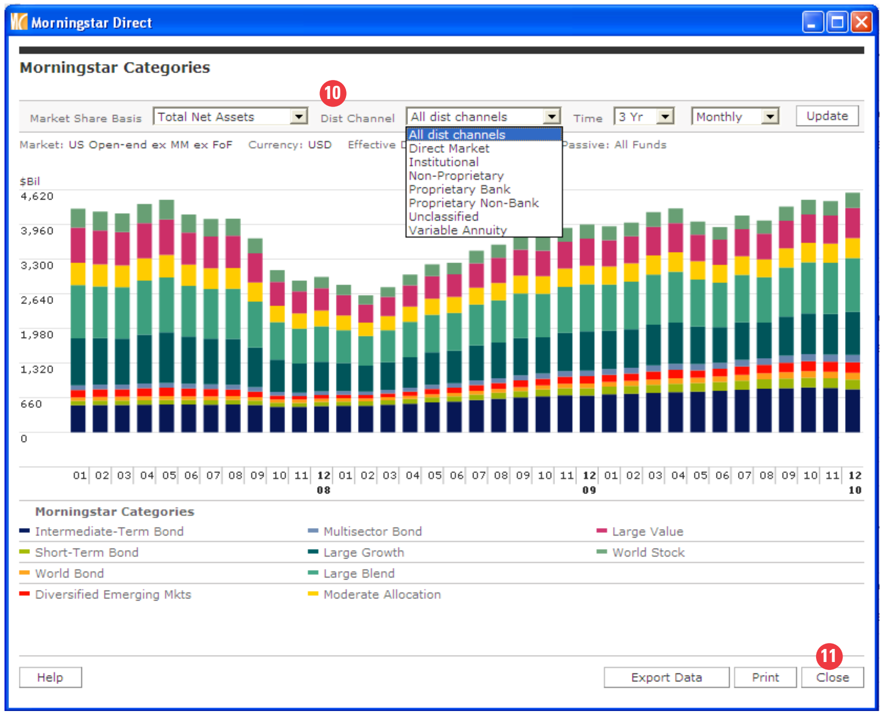
7. As you scroll down the Market Summary page, you will see the aggregated data for various groups based on your interactive settings — Asset Classes, Fund Families, Morningstar Categories, Institutional Categories, Active/Passive, Share Class Types, Distribution Channels, Morningstar Ratings, Stewardship Grades, Total Return Quartiles, Volatility Quartiles, and more. At any point, use the simple point and click actions to drill down on a group of interest. For example, go to *Morningstar Categories*.



8. Notice that the data is ranked by *YTD Estimated Net Flow ($Mil).*

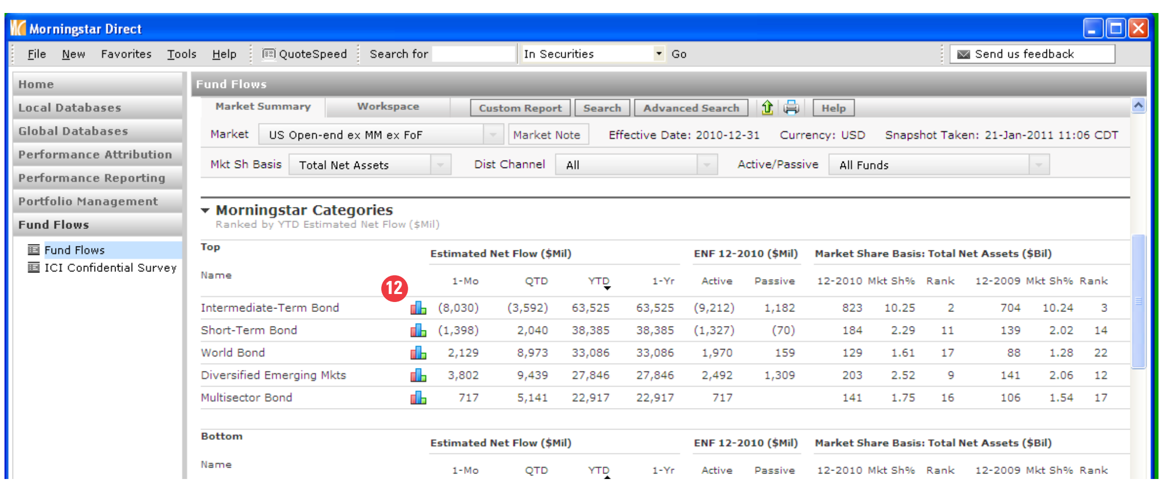
9. Click on *View Chart.*

10. You'll be taken to a stacked bar chart to view all the categories. You can use the *interactive drop downs* at the top to change your settings.

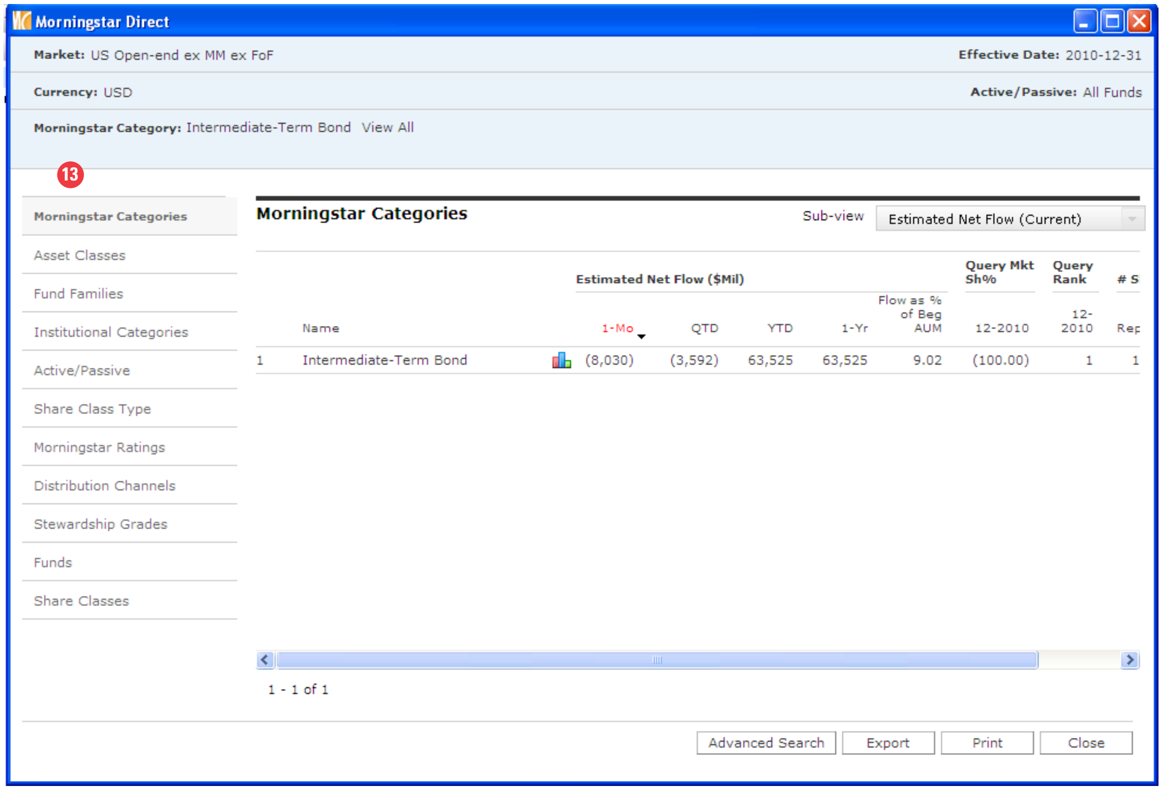


11. Click on *Close* to close the chart.

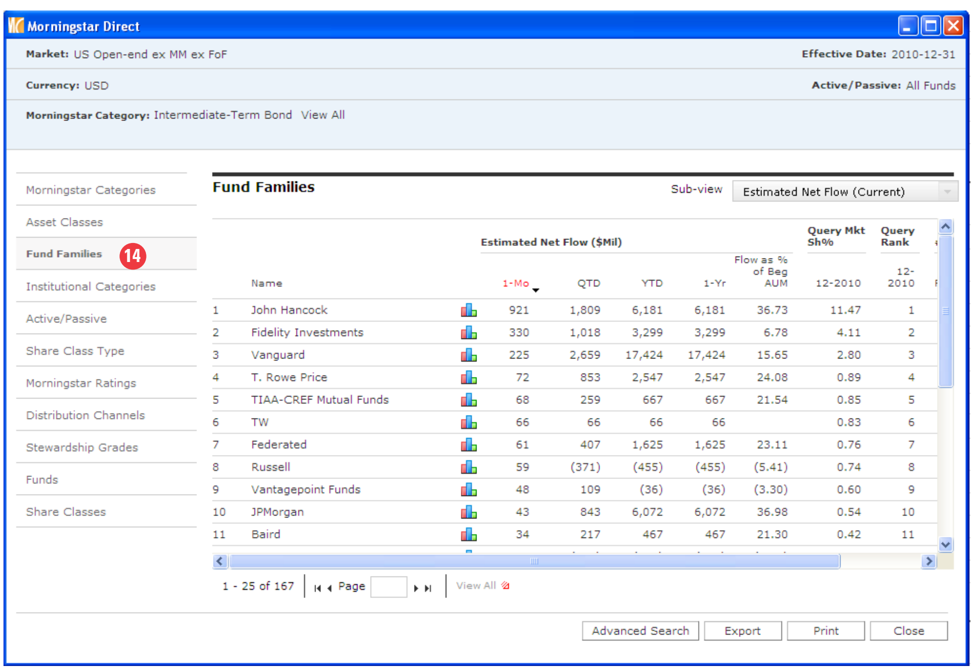
12. Let's now turn our attention to the Intermediate Bond Category. Click on its *Chart* icon.



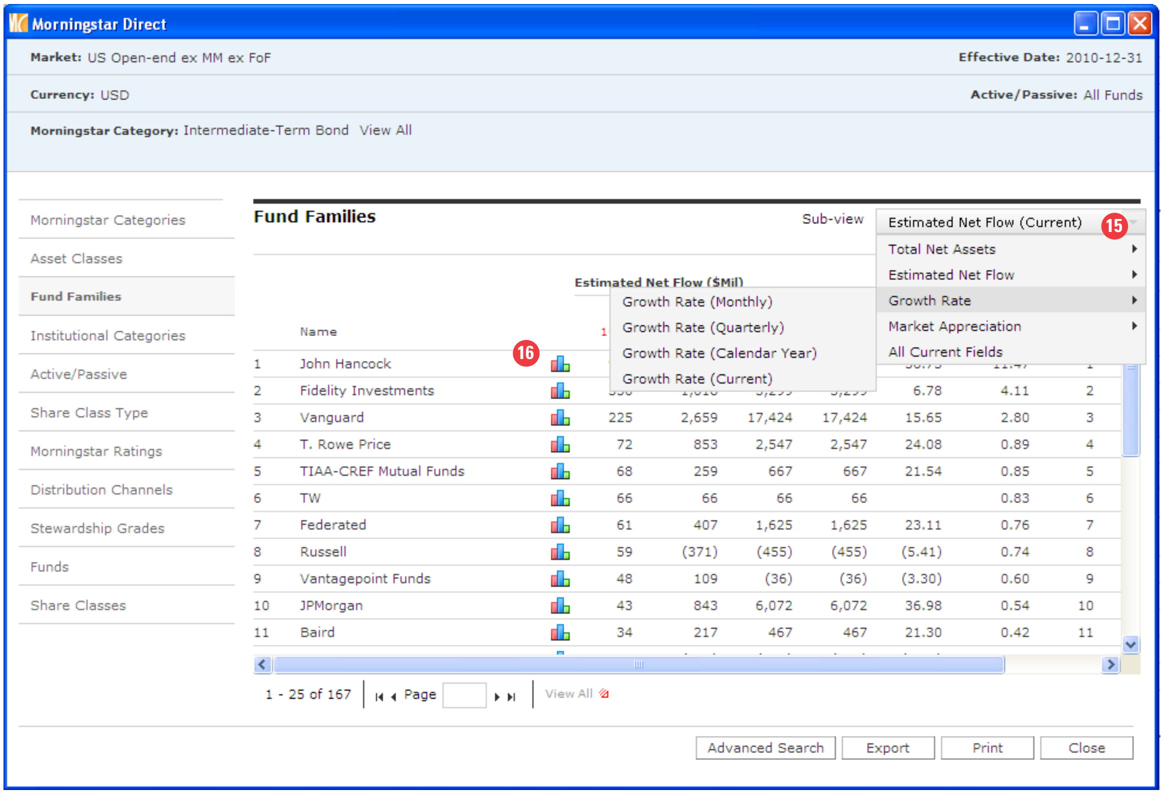
13. You will be taken to its dialog box to drill down its grouping variables. On the left hand side, the grouping variables are listed. As you toggle through them, the applicable fund flow data will be displayed.



14. Click on *Fund Families* to retrieve all the Fund Families that correspond to the Intermediate Bond Category.

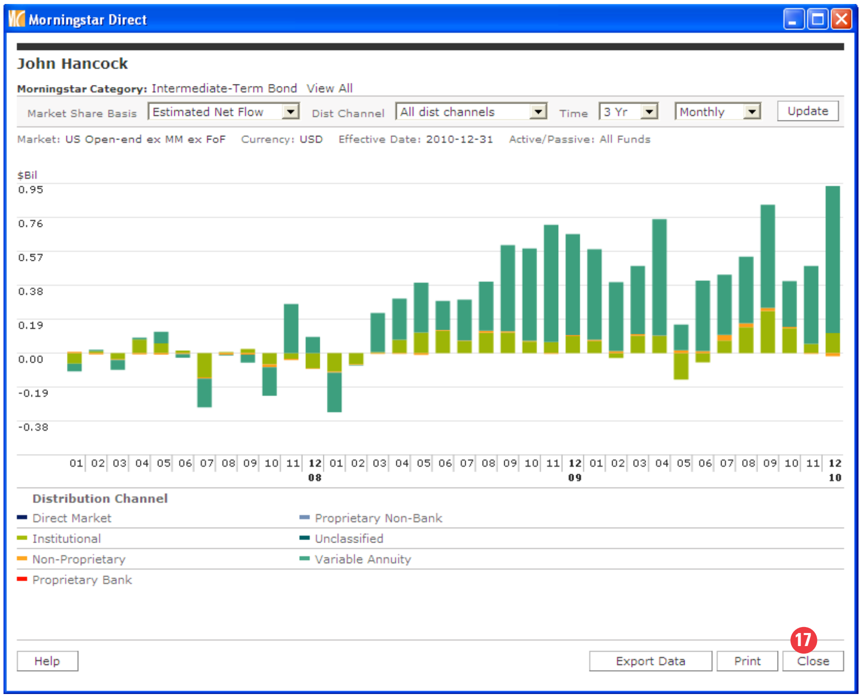


15. Go to the *Sub-View* to change your display from your initial settings (in this case Estimated Net Flow) to Total Net Assets, Growth Rate which isolates the growth (loss) in assets due to flows or Market Appreciation which explains the change in assets due to the appreciation (depreciation) of the holdings of the fund.



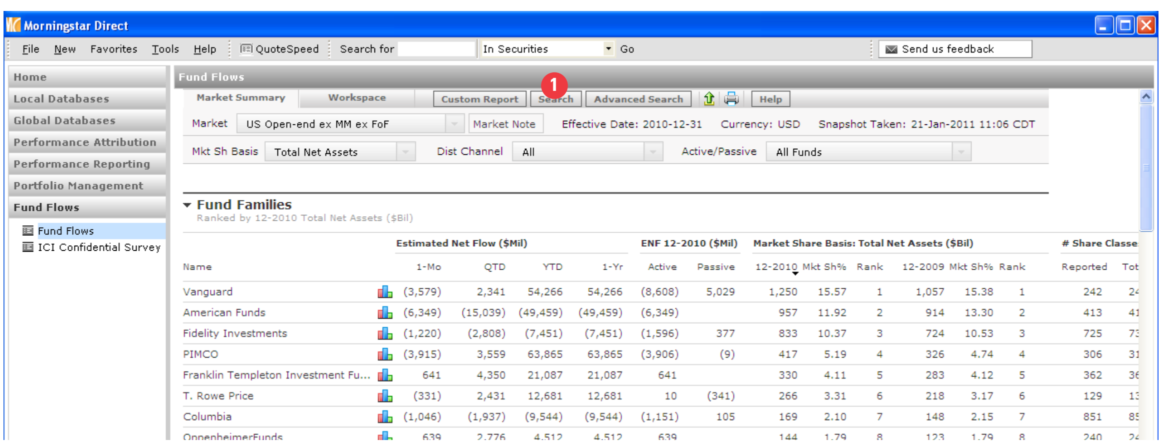
16. Click on the *Chart* icon next to John Hancock.

17. Go to the interactive settings at the top to customize your chart view settings for John Hancock Intermediate-term Bond Category. Once complete, click *Close*.

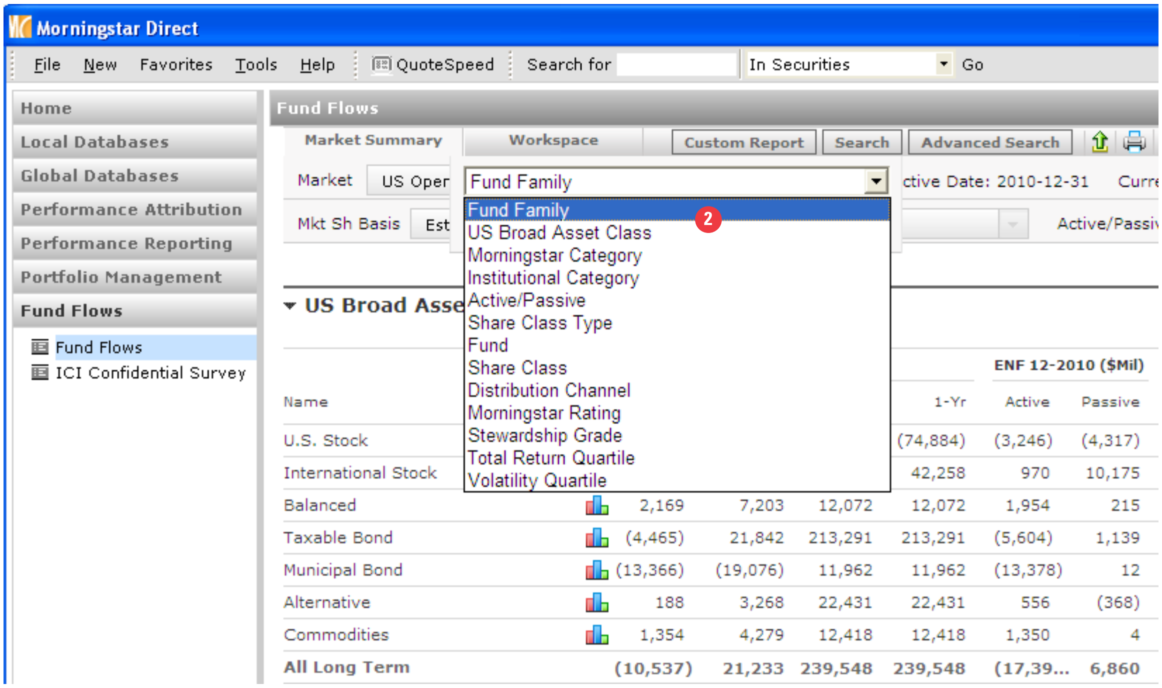


Search for a Specific Name in Grouping Variable

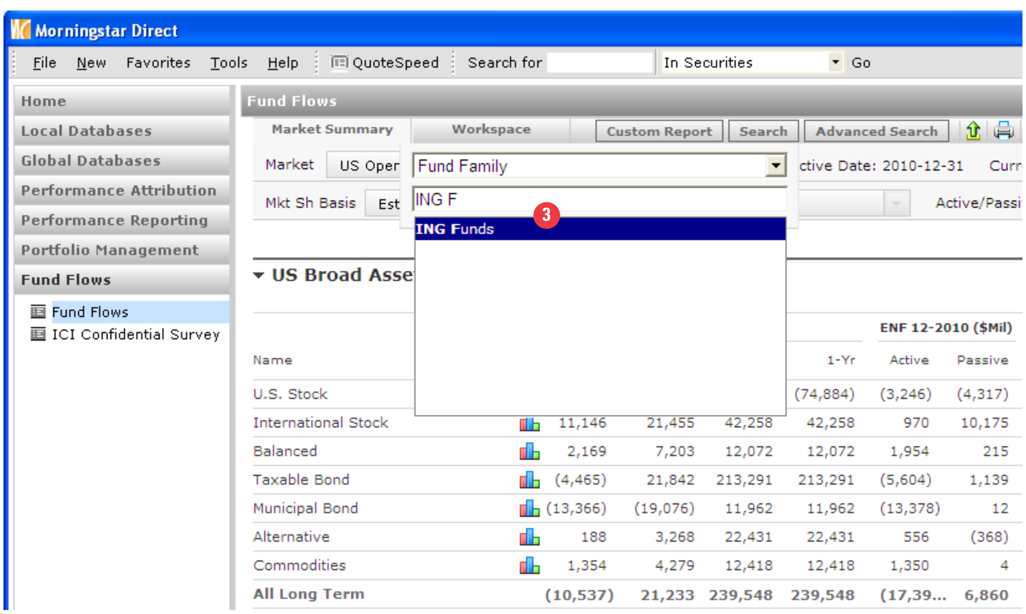
1. Click on the *Search* button at the top of the page. Use this feature as short-cut to identify a fund, fund family, or other entity of interest. It is an alternative to drill-down to each grouping level.



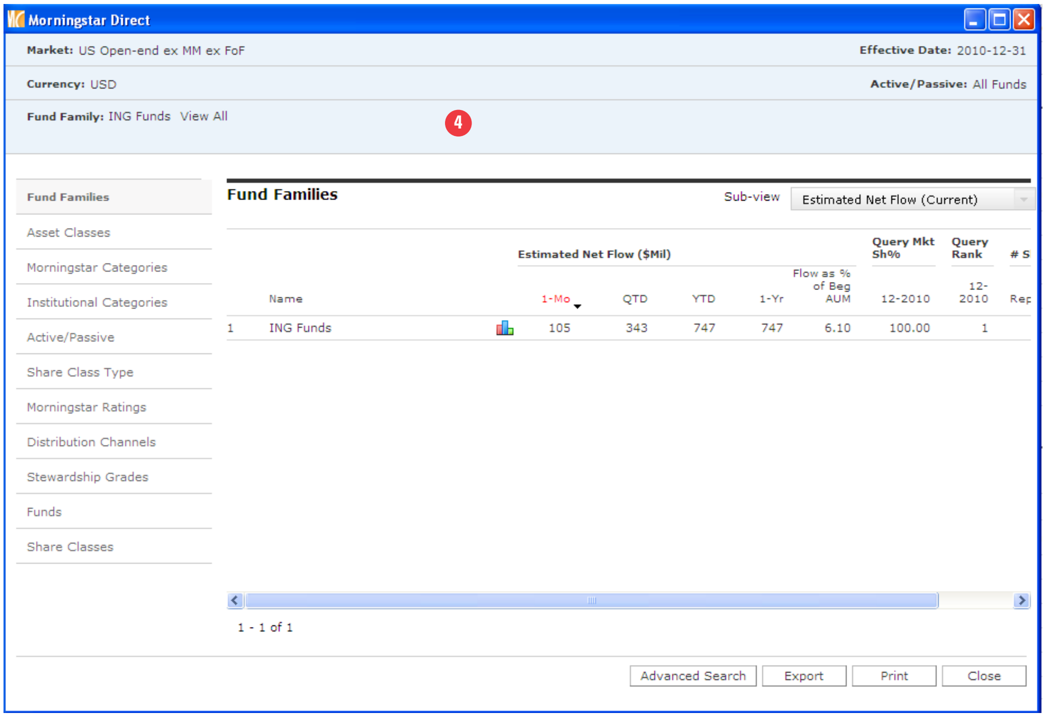
2. Select *Fund Family*.



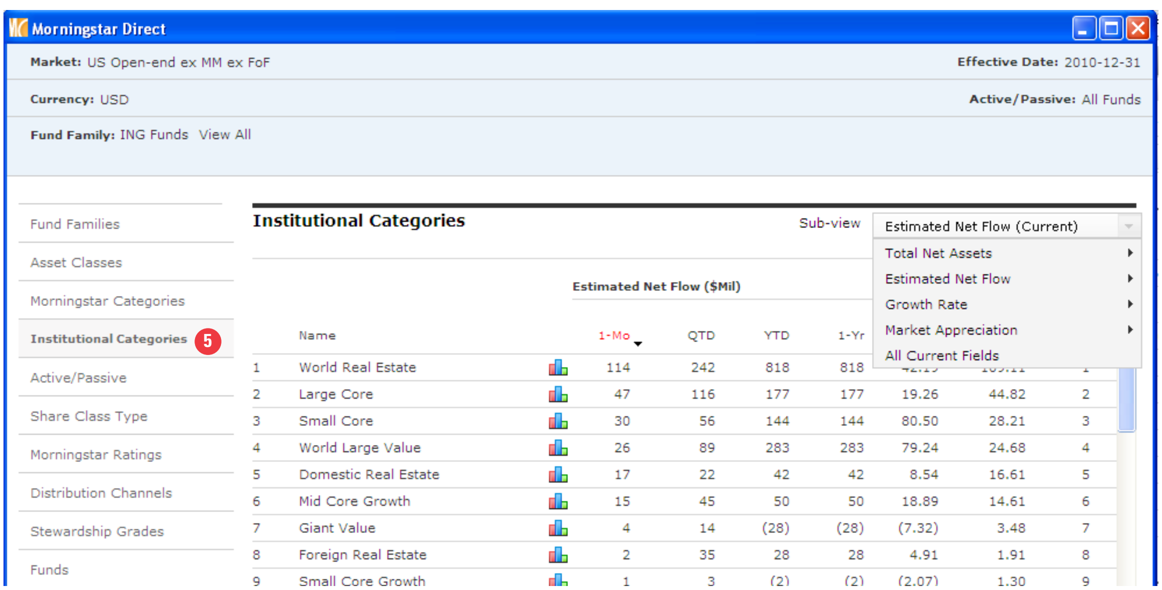
3. Type *ING Funds*.



4. You will be taken to ING Funds' dialog box.

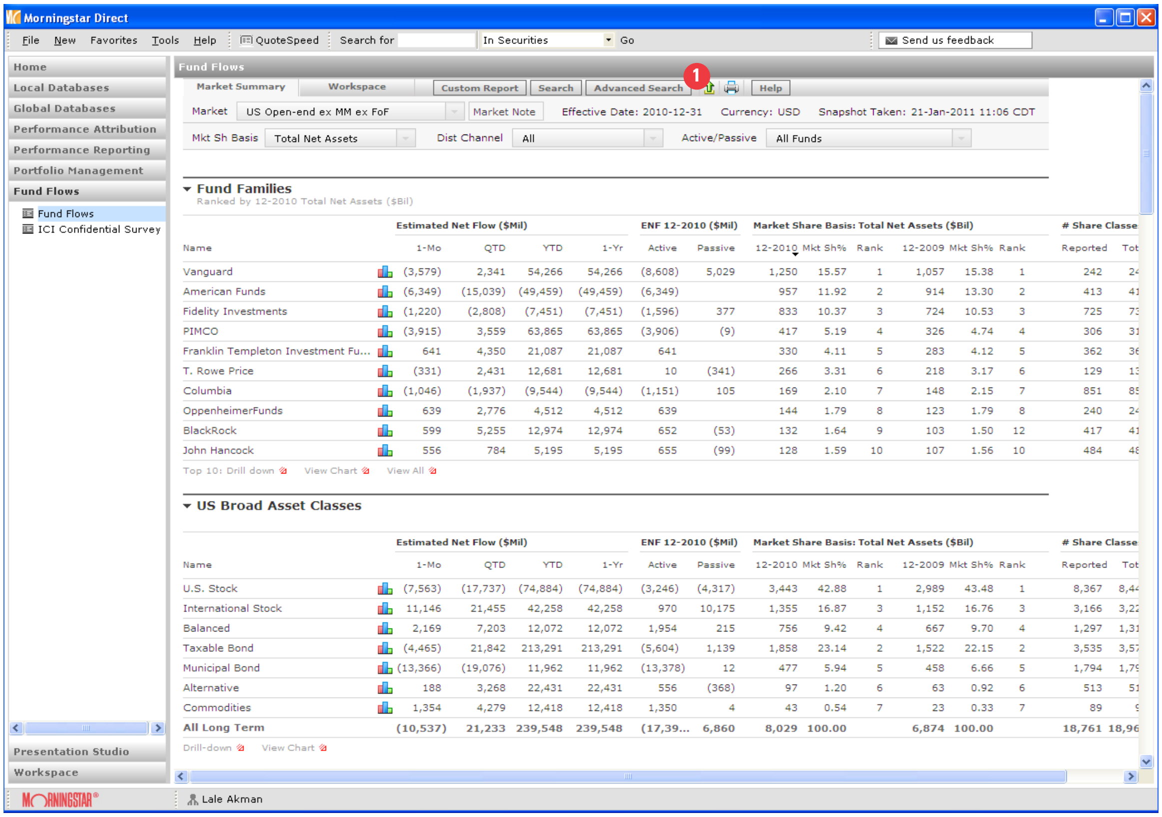


5. Toggle to the various grouping variables such as *Institutional Categories*. You can also take advantage of the Sub-Views at the top right.

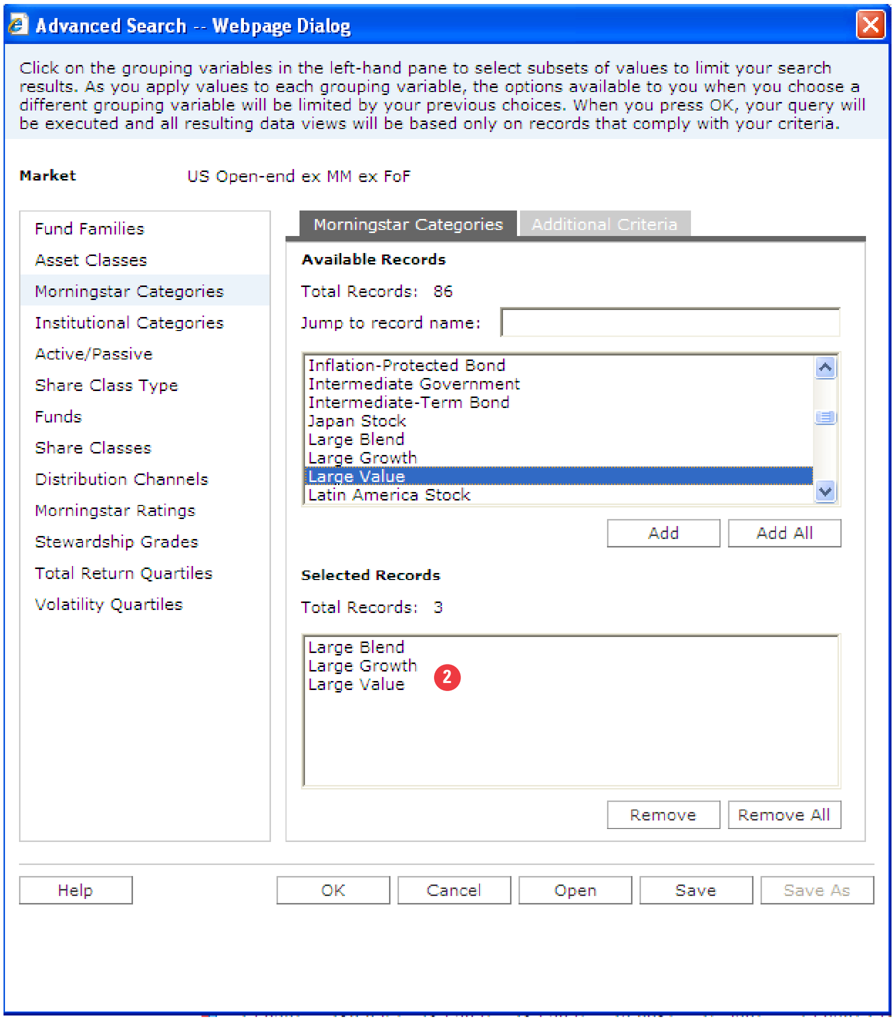


Create Advanced Search to Limit Search Results

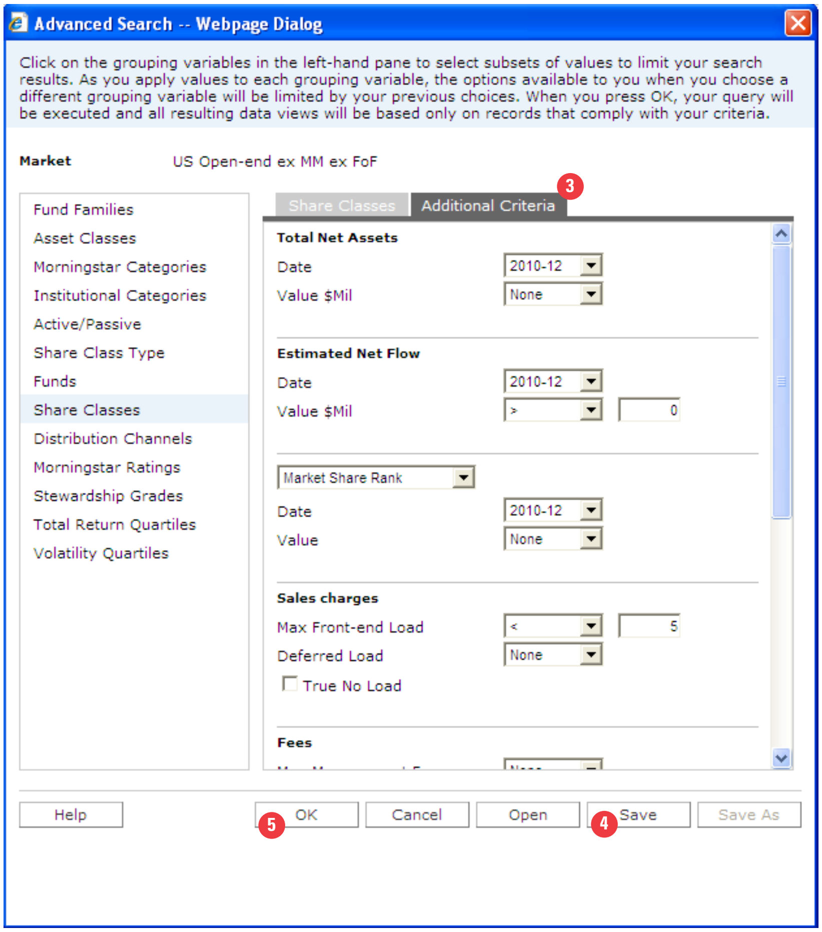
1. The Advanced Search functionality allows you to customize data sets that include multiple values per grouping variable. For example, if you want to analyze the Large Cap business of a competitor, choose Large Growth, Large Blend, and Large Value from the Morningstar Categories list. To demonstrate, click on the *Advanced Search* button.



2. As mentioned earlier, your Advanced Search will be driven by the market you choice. In our case, it's the US Open-end ex MM ex FoF. You can drill down the components for each segment on the left until you have met all the parameters. For example, click on the Morningstar Categories and select *Large Blend, Large Growth, and Large Value.*



3. Next, go to Share Classes and click on *Additional Criteria* to customize criteria for Total Net Assets, Sales Charges and more. For example, you can set your Estimated Net Flows greater than 0 to get positive net flows and look at those funds that have sales charge less than 5%.

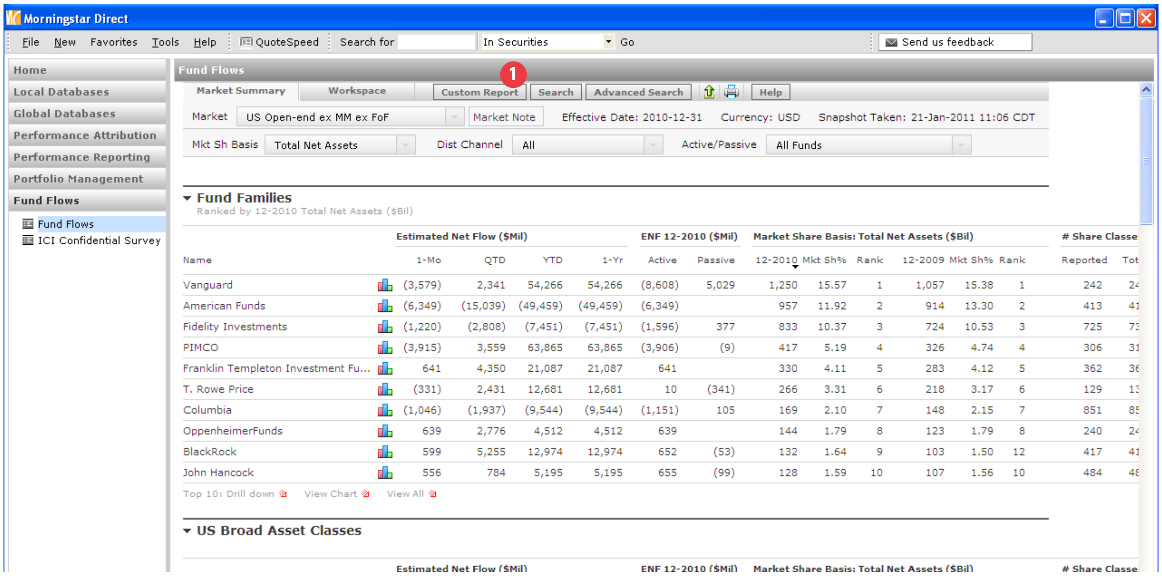


4. Once you've created your custom search, click *Save* and it will be saved under the Fund Flows' Workspace tab.

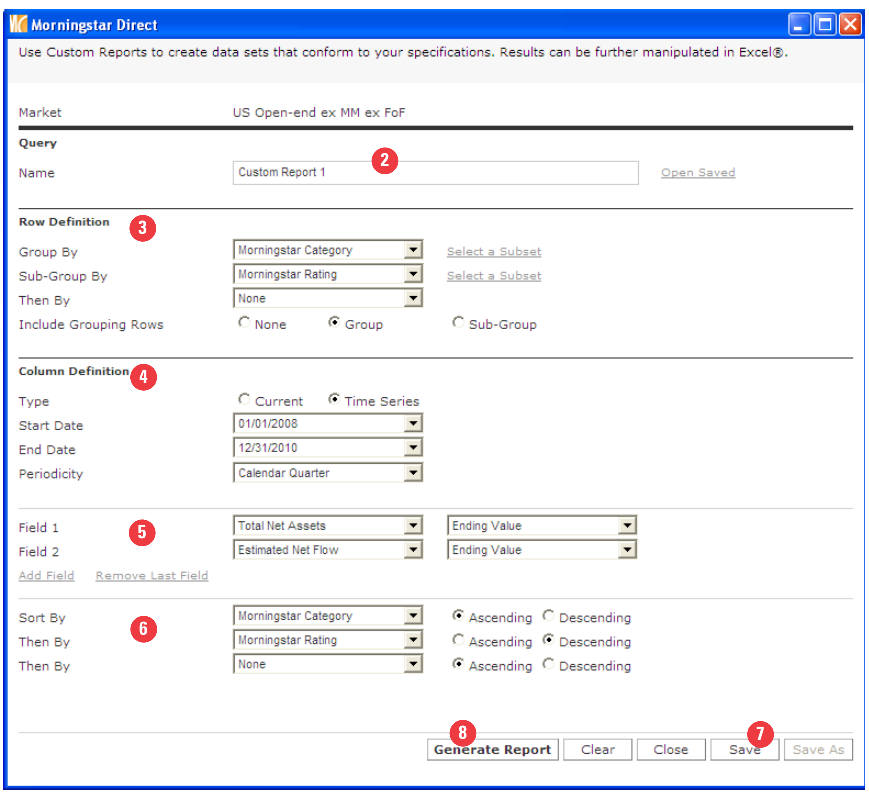
5. Once complete, click *OK* and you've completed creating your Advanced Search.

Create a Custom Excel Report Based on Your Specifications

1. The Custom Report feature allows you to create reports that are tailored to your needs, enabling you to create, for example, cross-tabular data that can answer questions such as "What has been the flow by Category over the past year?" or "What is the distribution of flows by Morningstar Rating over the past quarter?" Results can be further manipulated in Excel. Click on *Custom Reports*.



2. In the Custom Report window, *name your query*.



3. In *Row Definition*, group by Morningstar Category, sub-group by Morningstar Rating, and click on Group to customize how it will be generated in Excel.

4. In *Column Definition*, select Time Series, changing the start date to 3/1/2008 and using Calendar Quarter periodicity.

5. Add an *additional field* and select Estimate Net Flow with Ending Value.

6. Sort by *Morningstar Category* (ascending) and *Morningstar Rating* (Descending).

7. Click *Save* to save your Custom Report in the Fund Flow's Workspace tab.

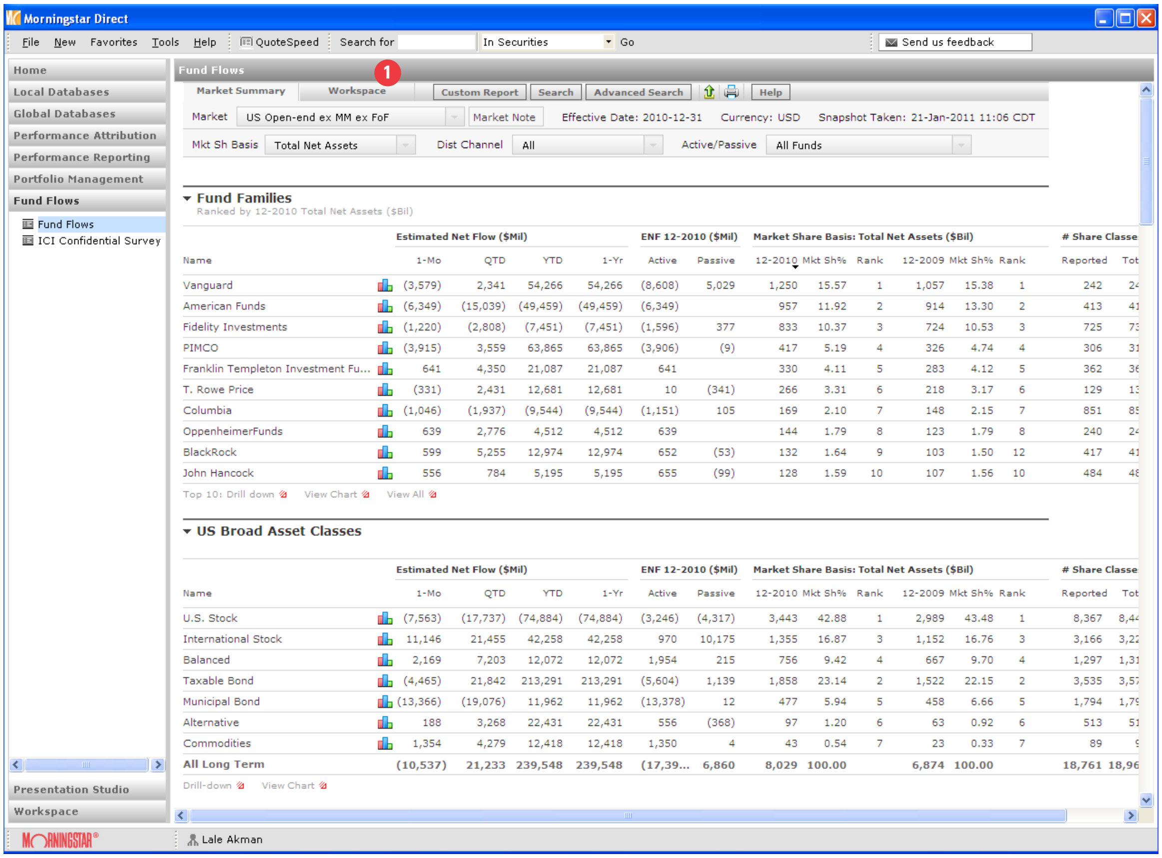
8. Click on *Generate Report*.

9. Open your report in *Excel* where you can further manipulate the output.

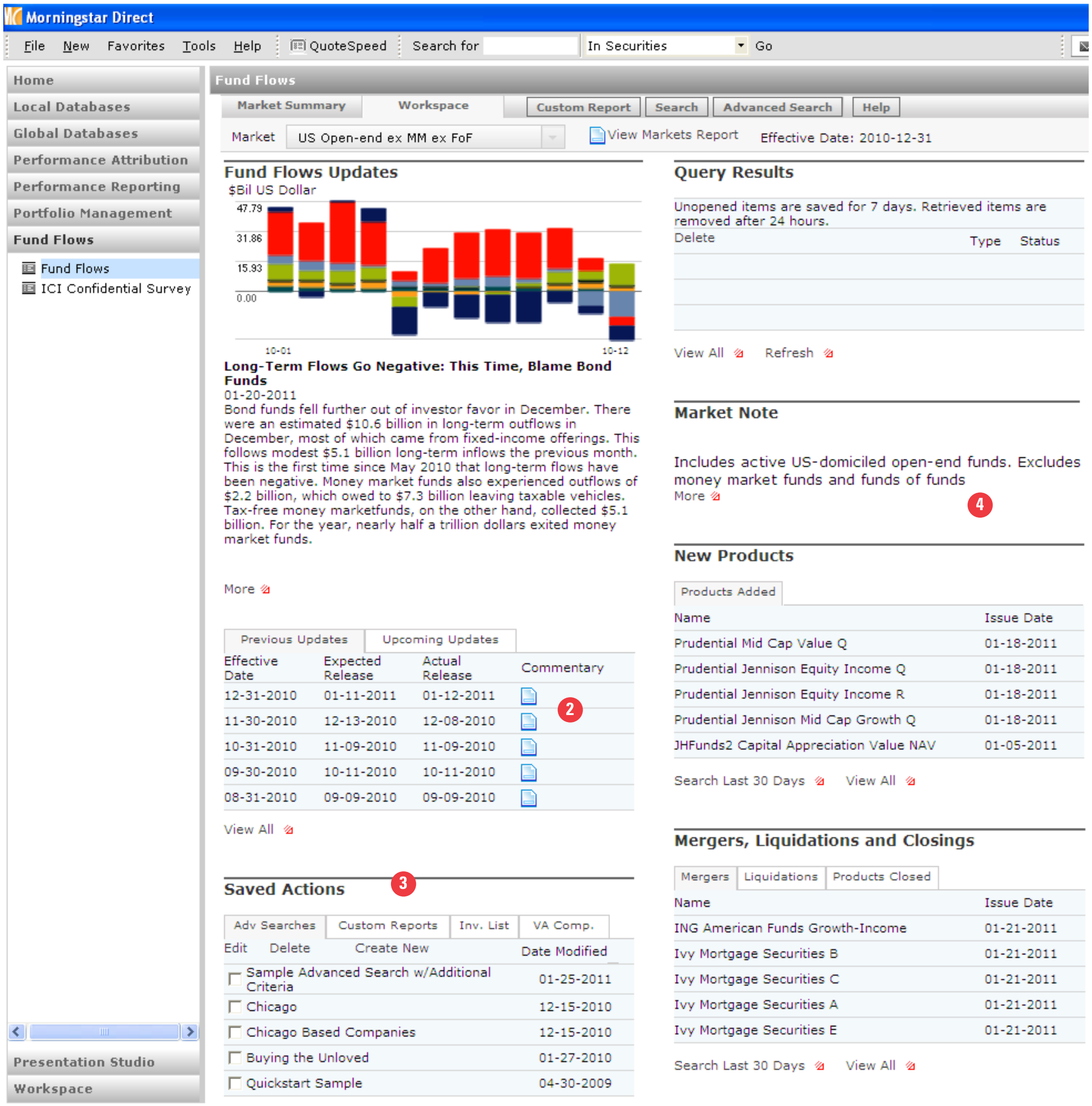
Morningstar Fund Flows									
Effective Date: 2008-01-01 to 2010-12-									
US Open-end ex MM ex FoF									
Currency: US Dollar				9					
Periodicity: Quarterly									
Exported: 25-Jan-2011 15:26 CDT									
Morningstar Category	**Morningstar Rating**	**Total Net Assets 2008-03**	**Total Net Assets 2008-06**	**Total Net Assets 2008-09**	**Total Net Assets 2008-12**	**Total Net Assets 2009-03**	**Total Net Assets 2009-06**	**Total Net Assets 2009-09**	**Total Net Assets 2009-12**
Aggressive Allocation	5-star	6,861,422,956	6,594,705,669	5,543,299,473	4,098,419,687	3,713,047,328	4,143,072,860	4,663,802,747	4,973,614,963
Aggressive Allocation	4-star	4,772,895,447	5,156,805,051	4,733,810,598	3,749,943,570	3,246,944,728	3,583,532,117	3,916,429,634	4,053,286,705
Aggressive Allocation	3-star	3,402,376,079	5,661,875,331	4,962,527,947	3,905,253,574	3,652,633,855	4,101,270,391	4,601,302,713	4,613,126,284
Aggressive Allocation	2-star	3,057,782,739	3,037,463,072	2,542,878,226	1,862,424,508	1,630,272,936	1,950,402,839	2,237,591,493	2,310,846,008
Aggressive Allocation	1-star	1,025,021,646	1,093,082,381	783,450,556	527,477,094	502,020,089	545,306,388	609,825,022	624,504,097
SubTotal		19,119,498,867	21,543,931,504	18,565,966,800	14,143,518,433	12,744,918,936	14,323,584,595	16,028,951,609	16,575,378,057
Bank Loan	5-star	2,402,695,628	2,708,498,381	2,511,444,879	2,129,058,680	2,895,255,776	3,759,052,925	4,300,970,938	4,495,708,289
Bank Loan	4-star	6,752,677,828	6,286,718,266	5,432,971,113	3,779,275,672	4,426,102,910	5,873,193,766	6,362,548,154	6,845,118,465
Bank Loan	3-star	8,749,774,879	9,690,201,331	8,357,393,187	5,213,403,305	5,921,636,452	7,730,195,243	8,735,682,435	9,103,555,560
Bank Loan	2-star	4,670,316,441	4,591,267,545	3,861,803,987	2,214,934,814	2,271,983,401	2,815,488,285	3,040,595,993	3,098,173,448
Bank Loan	1-star	2,576,496,667	2,465,196,494	2,073,637,885	1,197,176,853	1,073,092,755	1,022,151,932	1,030,082,874	980,183,698
SubTotal		25,645,682,038	26,325,303,702	22,925,082,898	15,175,947,645	17,261,276,675	21,975,430,534	24,281,043,482	25,527,989,473
Bear Market	1-star	208,809,129	218,144,088	18,518,557	100,291,652	103,604,394	121,957,748	157,988,829	174,657,837
SubTotal		4,649,330,229	4,904,263,523	3,350,613,370	3,153,001,089	3,502,433,440	4,078,586,415	4,038,243,272	4,479,796,286
China Region	5-star	323,789,525	311,204,242	254,073,496	185,675,300	189,305,737	256,193,557	294,830,524	330,768,377
China Region	4-star	2,368,463,680	2,178,255,360	1,598,874,675	1,208,801,749	1,276,599,749	2,204,098,761	2,793,101,106	3,507,680,665
China Region	3-star	3,413,749,852	3,108,933,089	2,059,185,935	1,591,496,993	1,722,017,859	3,002,734,146	3,842,333,991	4,548,084,299
China Region	2-star	988,455,675	883,200,259	616,736,669	469,061,447	447,318,155	659,683,843	703,639,779	770,550,916
China Region	1-star	34,729,437	34,745,017	24,268,785	21,594,569	20,789,457	33,301,956	32,785,052	35,403,476
SubTotal		7,137,054,578	6,531,280,138	4,553,139,560	3,495,152,016	3,681,875,972	6,209,843,329	7,780,014,682	9,435,027,197
Commodities Broad Basket	4-star	871,592,872	1,117,316,440	840,998,946	784,171,413	933,291,931	1,461,820,305	1,830,465,135	2,227,252,621
Commodities Broad Basket	3-star	15,136,000,823	17,200,491,797	11,126,849,475	6,187,991,599	7,553,109,700	11,489,491,685	14,128,204,077	17,401,507,625
Commodities Broad Basket	2-star	1,848,306,382	2,498,333,760	1,513,525,898	853,064,998	863,924,035	1,179,623,820	1,265,024,253	1,475,258,907
Commodities Broad Basket	1-star	69,628,750	94,340,277	24,259,102	14,879,948	14,859,430	19,341,874	22,069,473	24,322,703
SubTotal		17,925,528,827	21,306,274,754	13,854,391,064	8,128,113,772	9,646,893,145	14,499,124,910	17,573,854,092	22,908,492,131

Access Workspace for Commentary Updates and More

1. The Workspace tab provides you with additional resources such as Fund Flow Updates, Monthly Commentary, Saved Actions, and more. Click on the *Workspace* tab.



2. Under Fund Flow Updates, go to Previous and Upcoming Updates to access the current and historical *Commentary*.



3. At the bottom left, under *Saved Actions*, access your Advanced Searches, Custom Reports, and Investment List. Note, every time you create an investment list, you can access the fund flow data for each investment from Save Actions.

4. On the right column, you'll notice information on *New Products, Mergers, Liquidations, Closings* and more.

Performance Reporting

Performance Reporting is designed specifically to monitor performance for a group of investments. Organize your investments by various groupings or by your own custom classifications. You can also assign benchmarks, define data, and more. Both qualitative and quantitative factors can be applied to the report. Implement a Scorecard using standardized values or custom grades to further monitor your investments (see the Scorecard chapter).

Create your Performance Report from an existing list in the Investment List or Search Criteria folders or create a new report directly in the Performance Reporting folder. You have the ability to keep your Performance Report and Investment List synchronized and be notified when the Investment has changed.

Outline

Set Your Performance Reporting Settings

Create a Quick Performance Report with a Morningstar Template

Create a Custom Performance Report with Specific Data Points

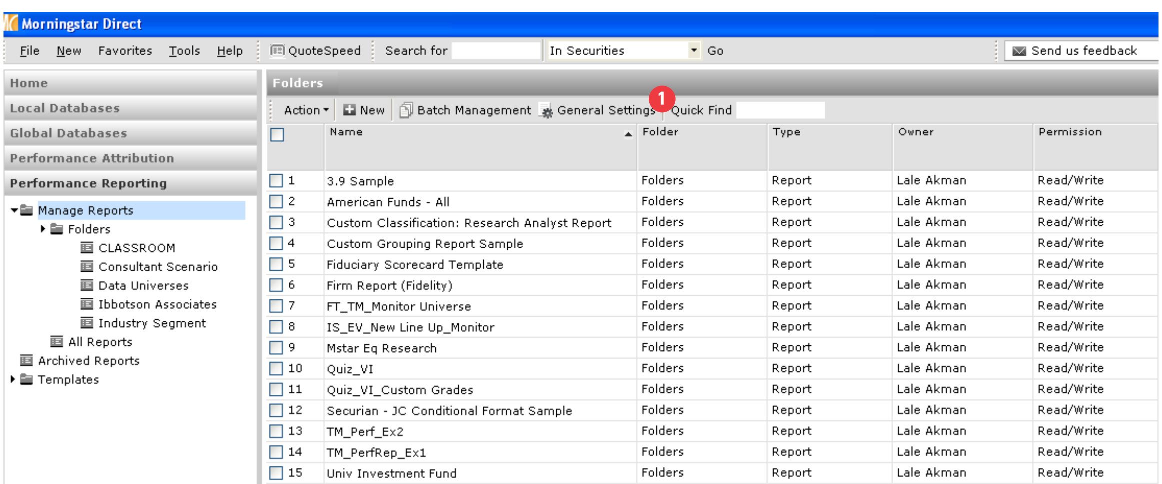
Apply Simple and Conditional Formatting

Automatically Run Reports using Batch Scheduling

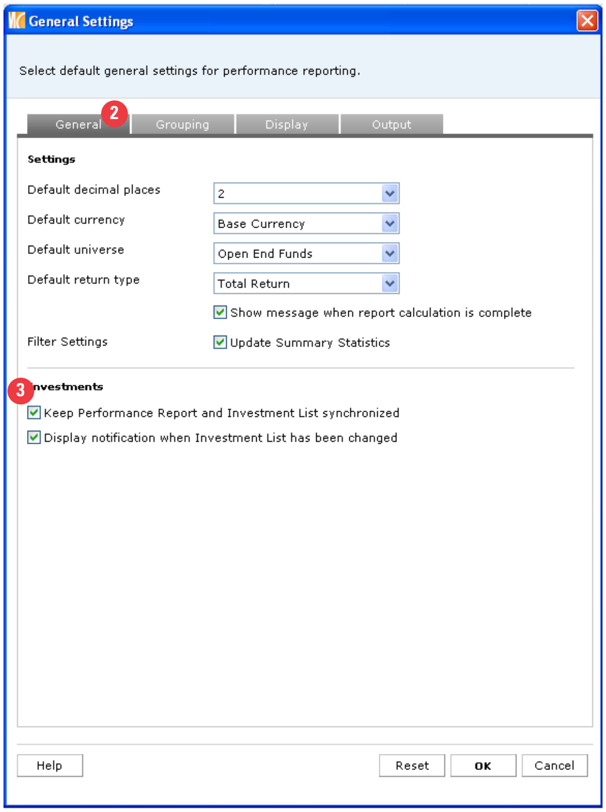
Send and Share Your Reports with other Morningstar Direct Subscribers

Set Your Performance Reporting Settings

1. Similar to User Preferences under the File drop-down, set specific default settings only applicable to Performance Reporting. In the Performance Report pane, go to the Manage Reports folder and click on *General Settings*.

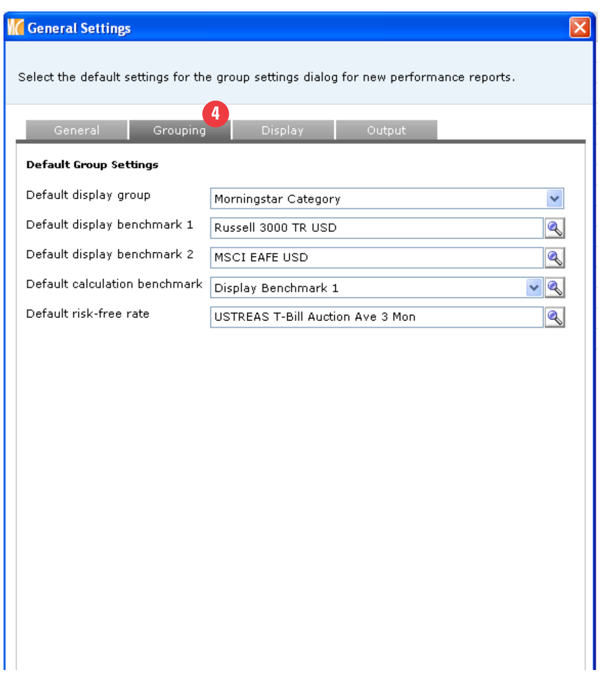


2. In the *General tab*, set your default general preferences.

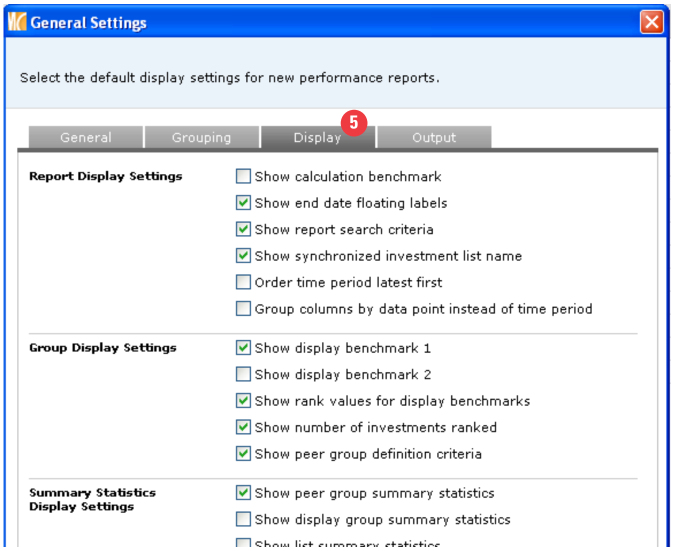


3. Check the box to synchronize your Performance Report and Investment List.

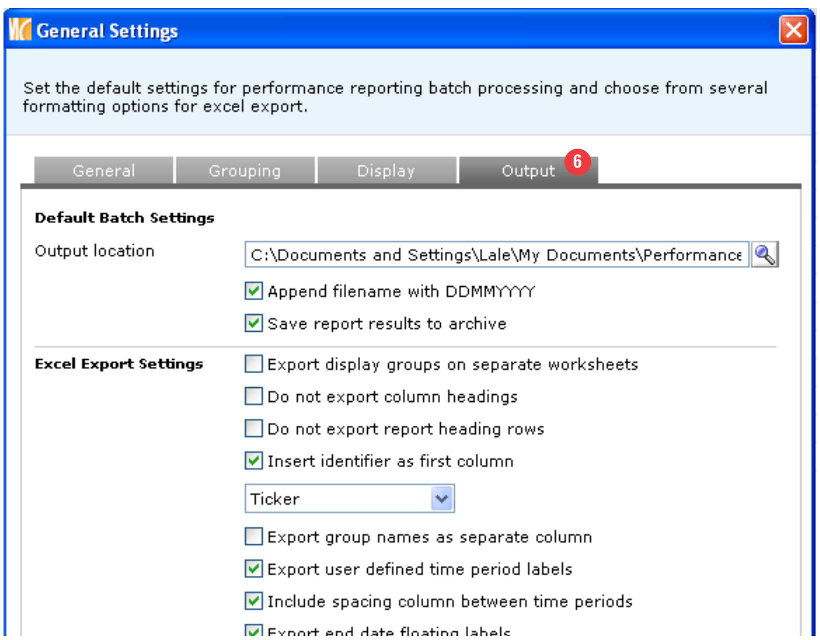
4. In the *Grouping tab*, set your default Group Settings.



5. In the *Display tab*, set your default Display Settings, Summary Statistics, and Breakpoint settings.

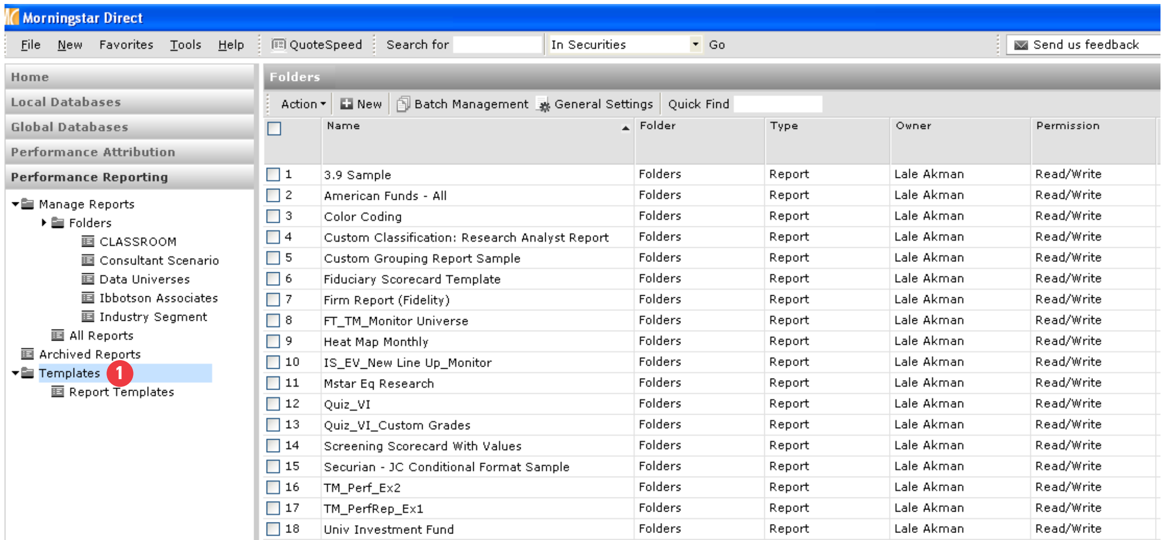


6. In the *Output tab*, set your default Batch Settings and Excel Export Settings.

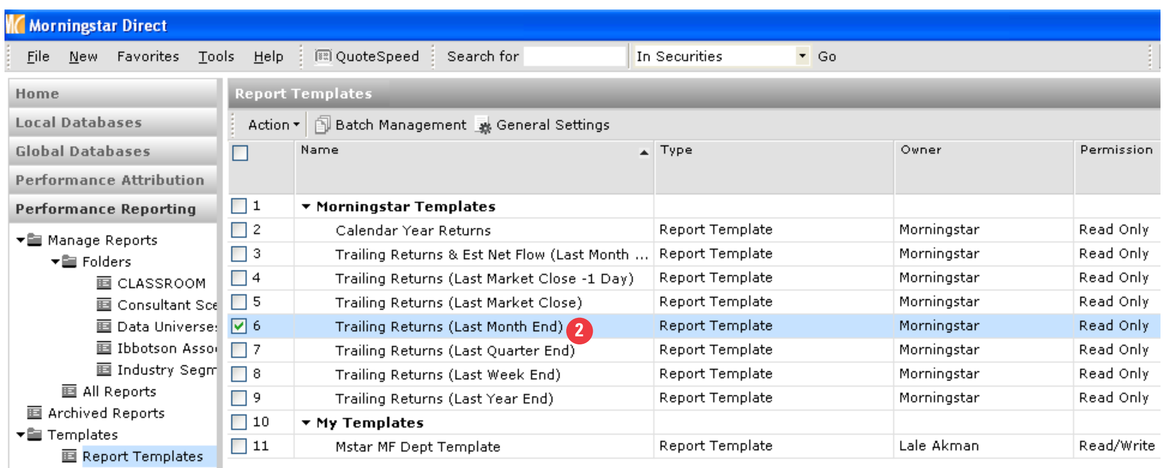


Create a Quick Performance Report with a Morningstar Template

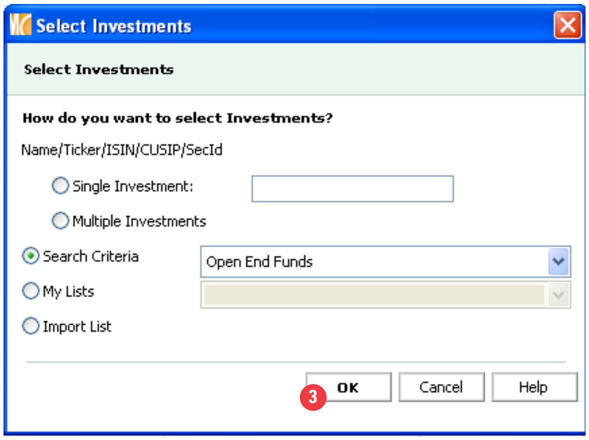
1. Go to the Templates and click on the *Report Templates* subfolder where we will use a predefined Morningstar Template.



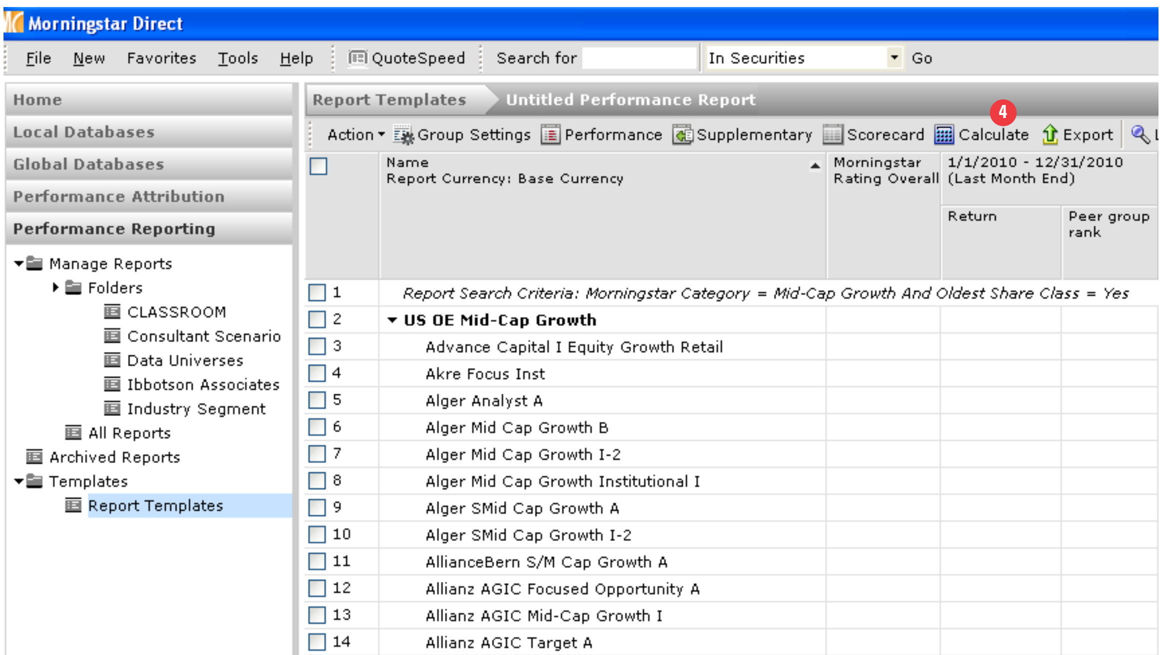
2. Double click on *Trailing Returns (Last Month-End)* from the Morningstar Template list.



3. Once you've selected the source of investments, click *OK*.

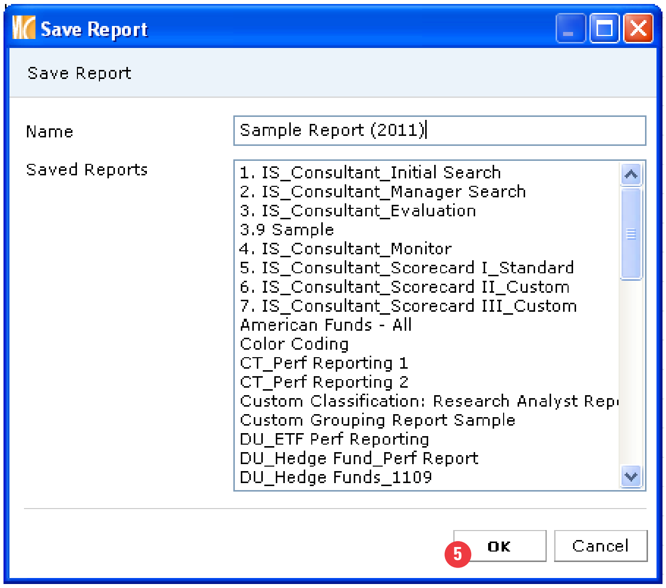


4. Click *Calculate* and you will be first asked to save the report.

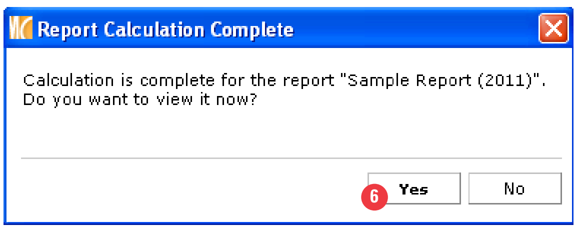


Your search criteria will be displayed at the top.

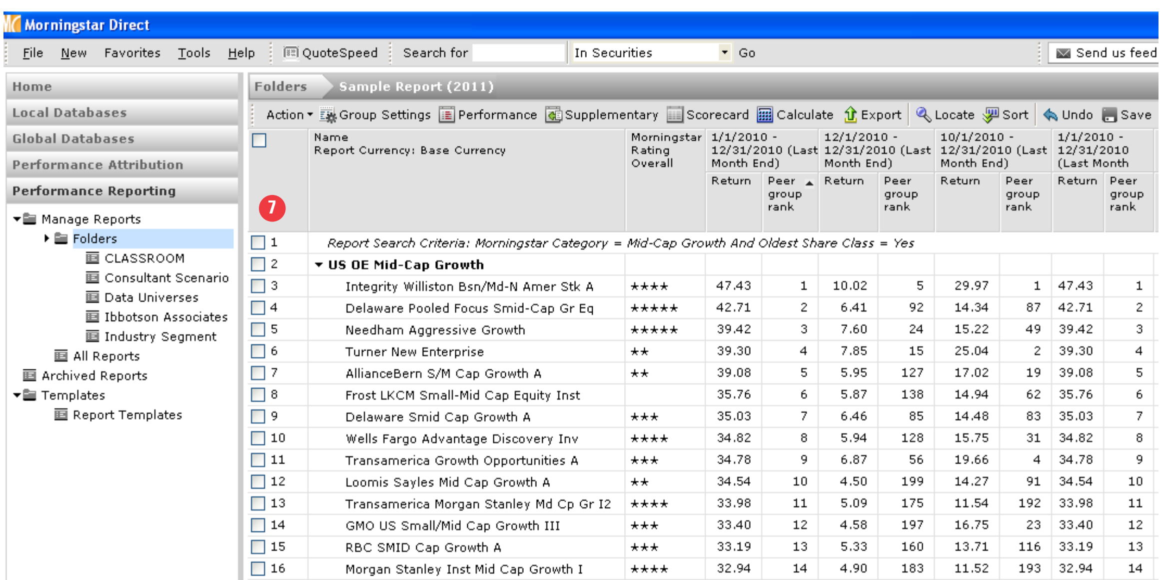
5. Name your report and click *OK* to run the report.



6. Once the calculation is complete, you will get a Pop-Up asking you to view the results. Click *Yes*.

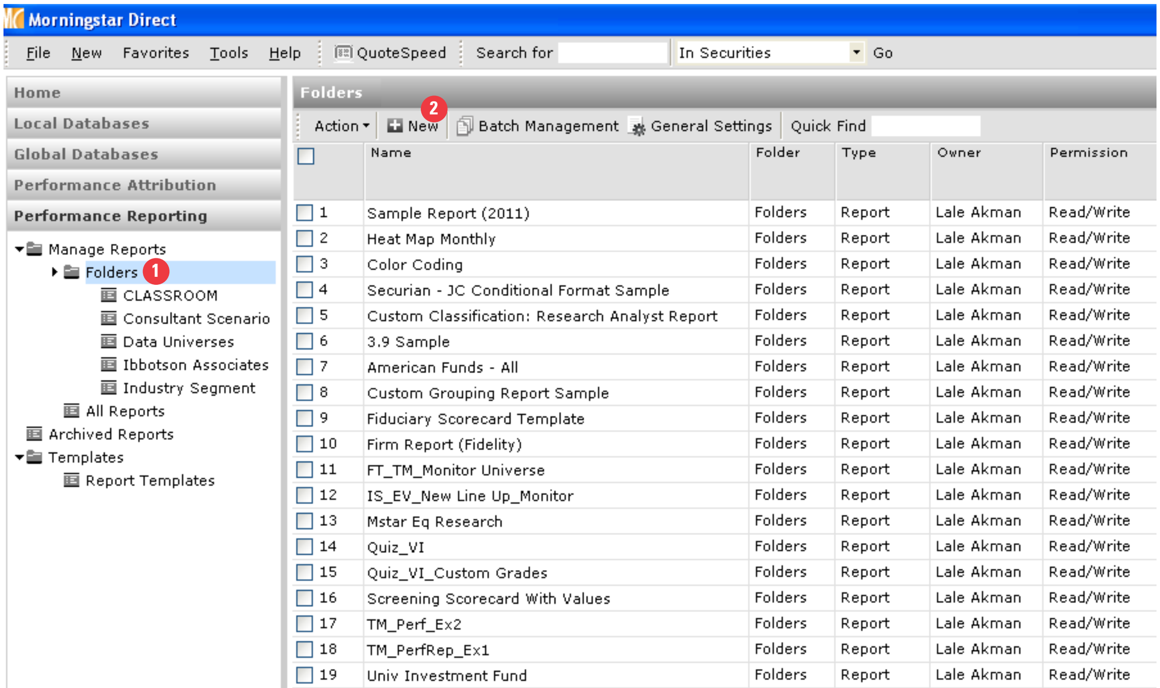


7. You've successfully completed generating a Performance Report. Note that at any point you can modify your template with Group Settings, Performance, and Supplementary commands which we will cover in next exercise when creating a report from scratch.



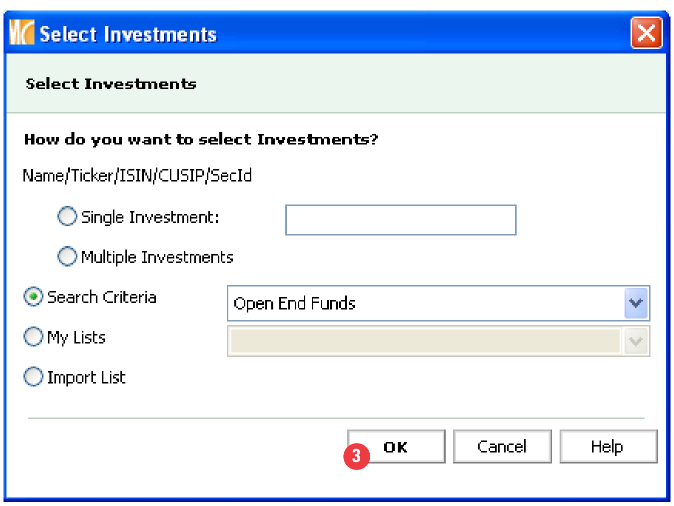
Create a Custom Performance Report with Specific Data Points

1. Go to the Manage Reports folder and click on *Folders*, where you will see your saved reports on the right pane.

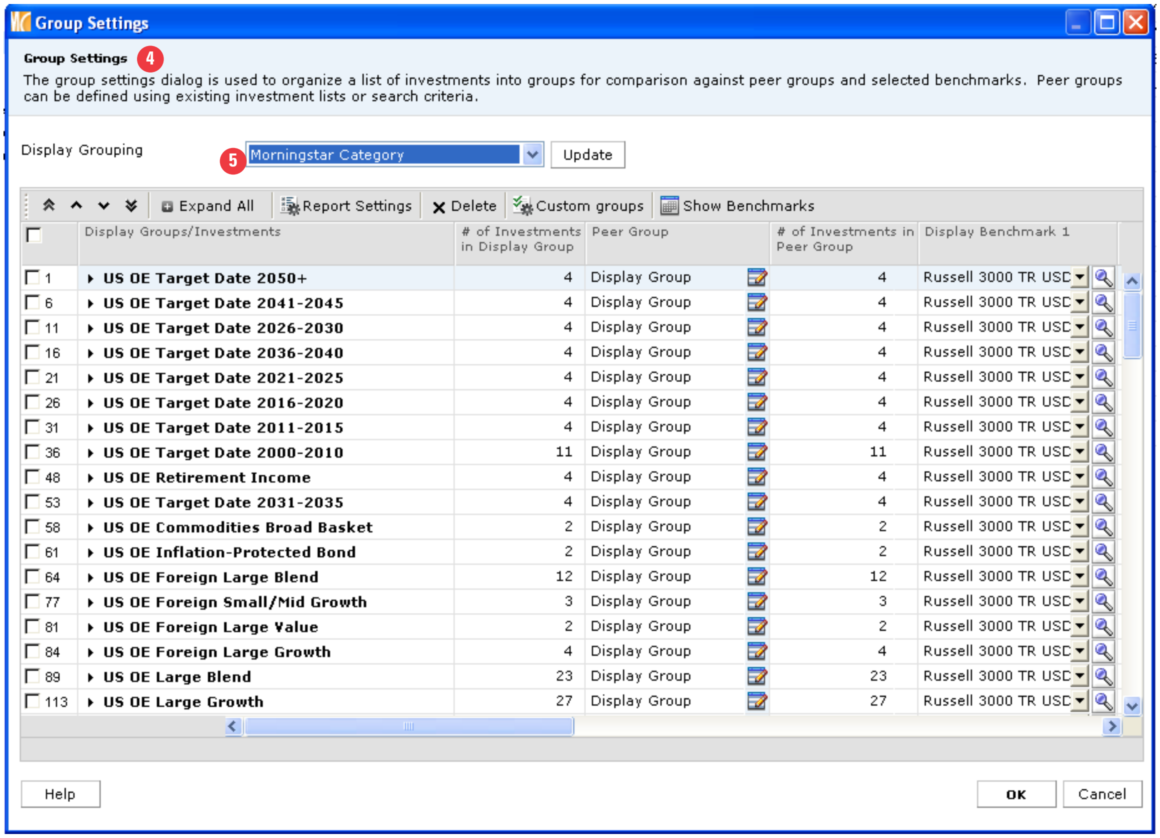


2. Click on *New* and you will be taken to the Select Investments window.

3. Once you've selected the desired source of investments for your report, click *OK*.

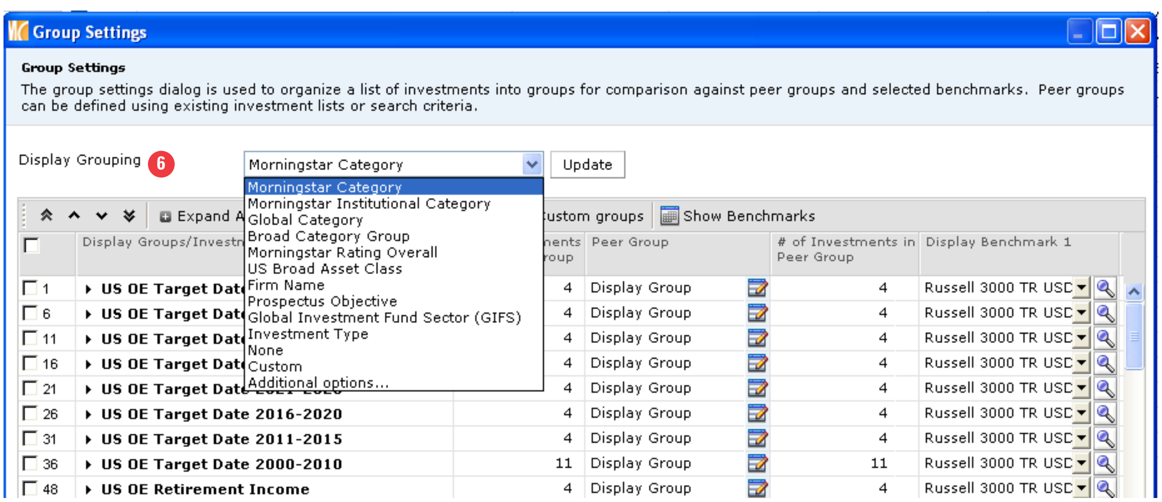


4. You will be taken to the *Group Settings* dialog box to determine specific peer group, benchmarks and more.

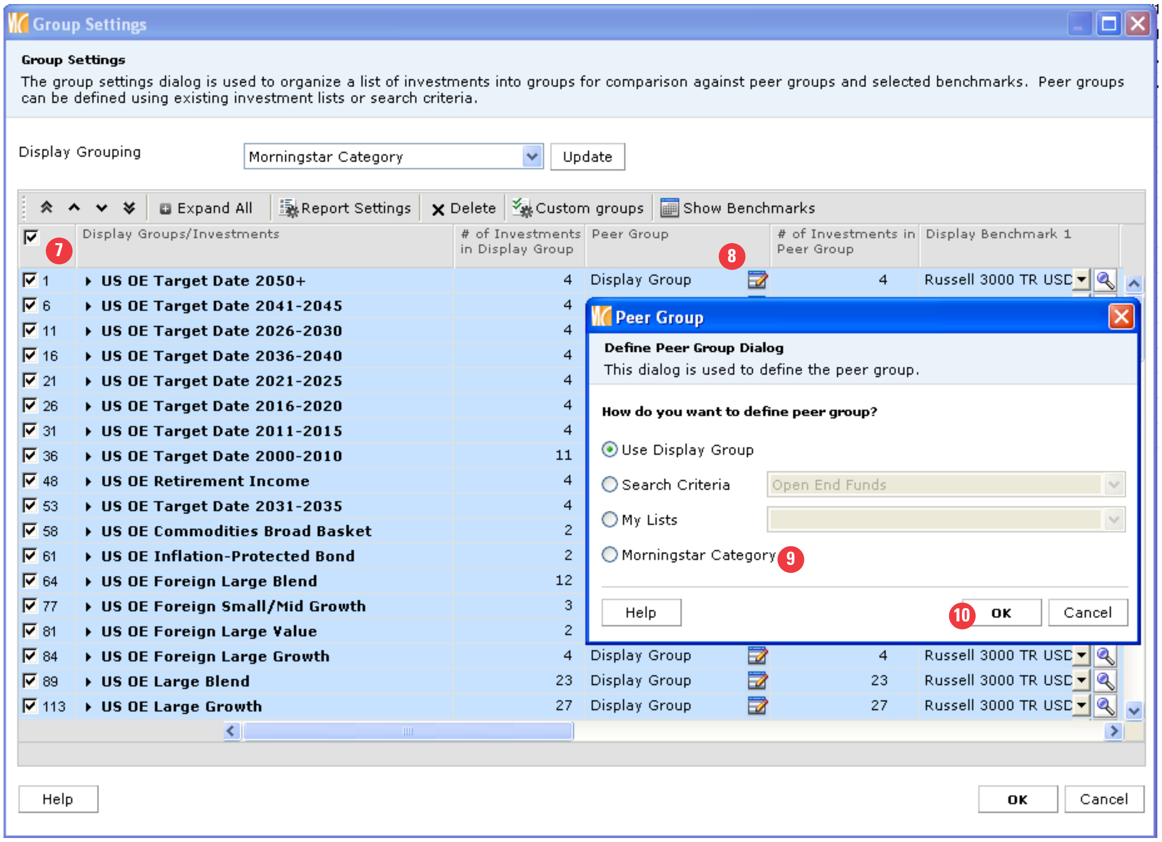


5. By default, investments are organized by *Morningstar Category*.

6. Click on the *Display Grouping* drop down to view other choices such as Morningstar Rating Overall, Firm Name, Custom Sector, Sector and Industry Level for securities and much more.



7. Peer groups are based on the investments in the report but can be altered to reflect a custom peer group. To change all the peer groups for each investment, click on the left top box.

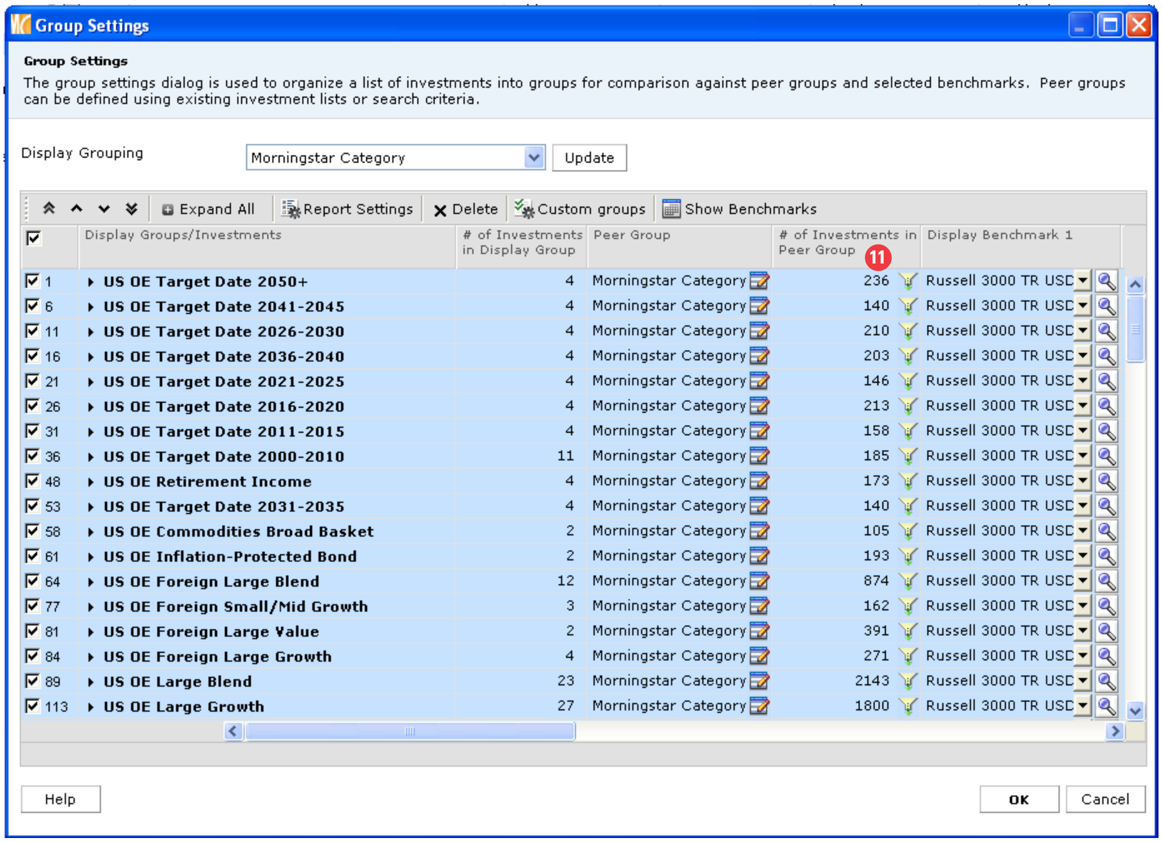


8. Click on the *Display Group Icon* and you will be taken to the Peer Group Dialog box.

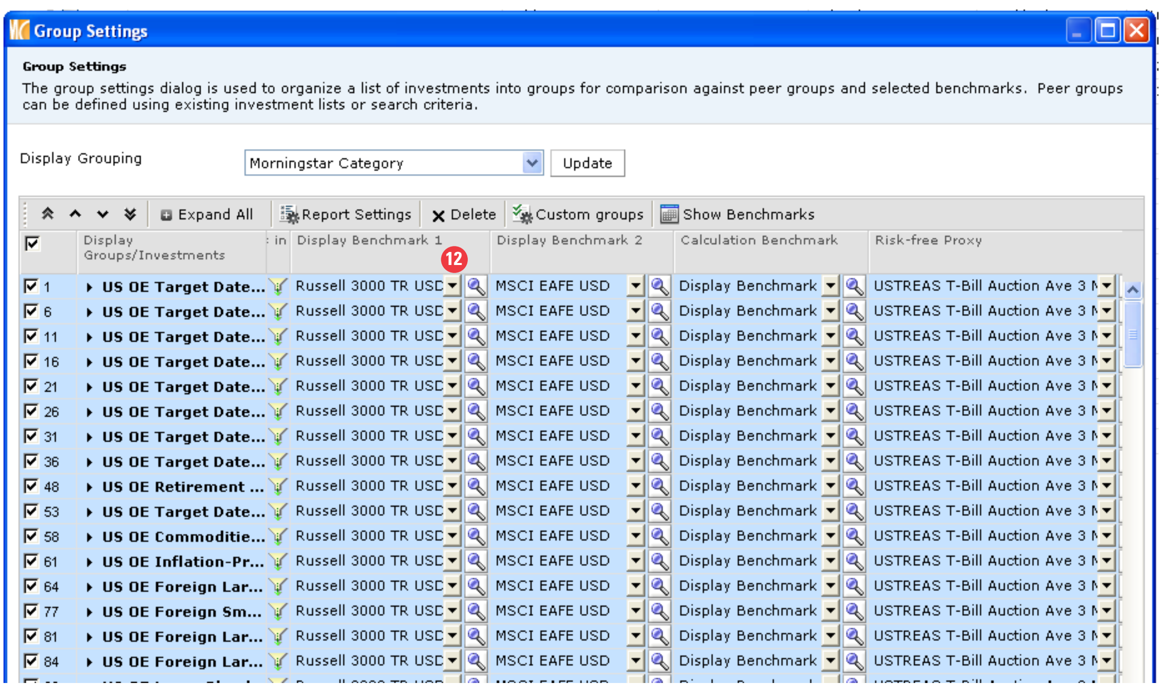
9. Since our Display Grouping is already broken down by Morningstar Categories, select *Morningstar Category* as the Peer Group.

10. Click *OK*.

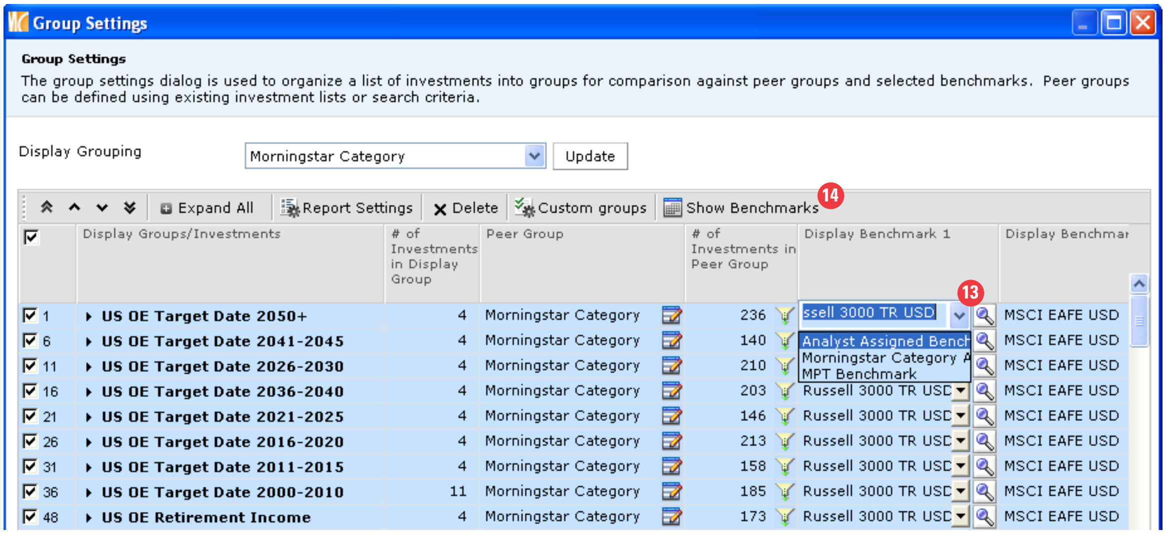
11. In the *# of Investments in Peer Group Column*, you will notice the updated numbers.



12. Go to *Display Benchmark 1* drop-down.

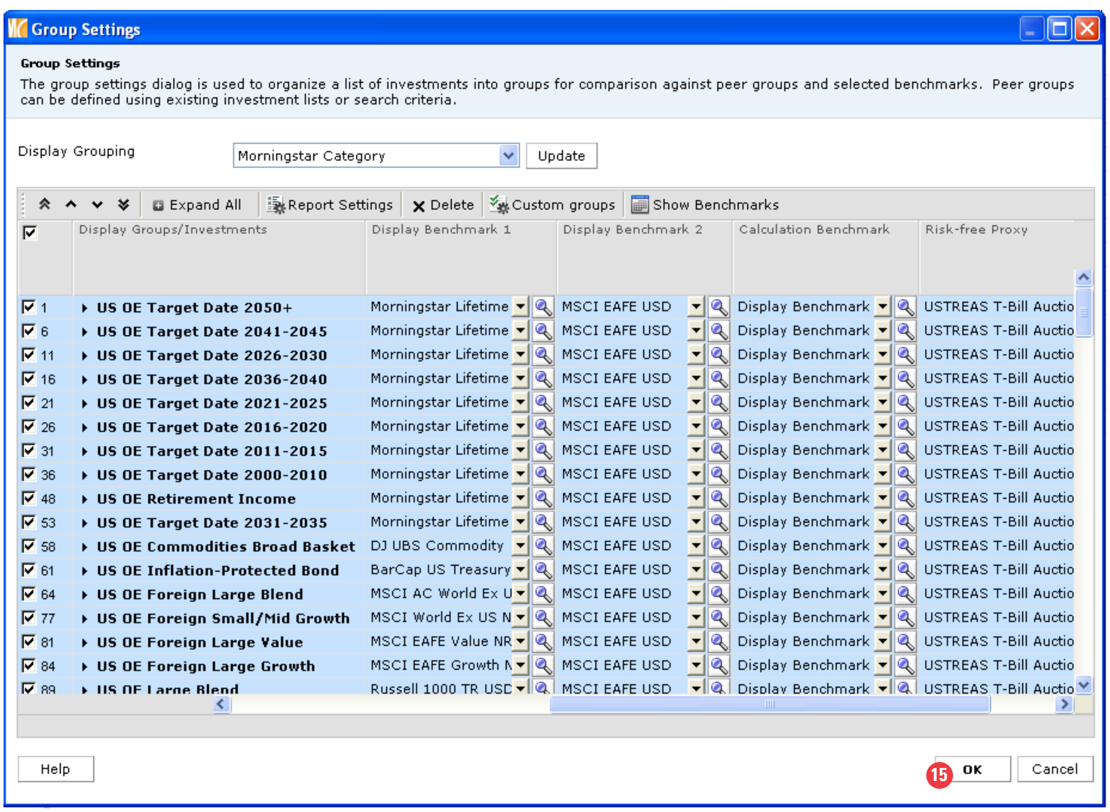


13. Select *Analyst Assigned Benchmark.*

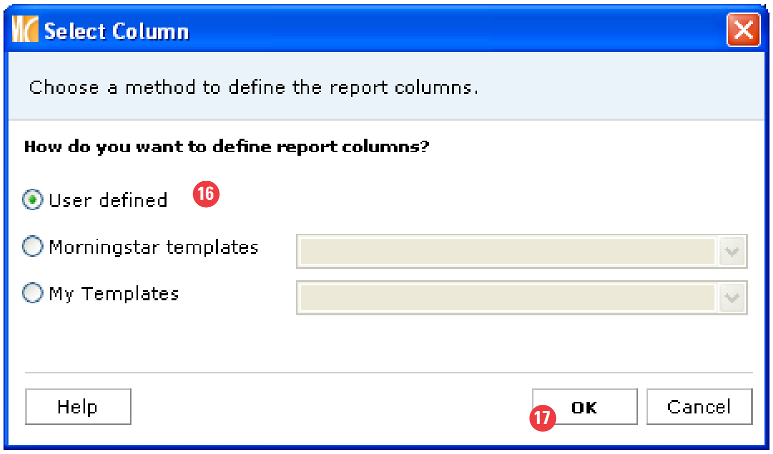


14. Click on *Show Benchmark* to display the analyst assigned benchmark.

15. *Display Benchmark 2* is also provided as an additional benchmark. These benchmarks appear as a separate row in the report. You can also customize the *Calculation Benchmark*, used for calculations that require a benchmark, and *Risk Free Proxy*, used for calculations that require a risk-free rate. Click *OK*.

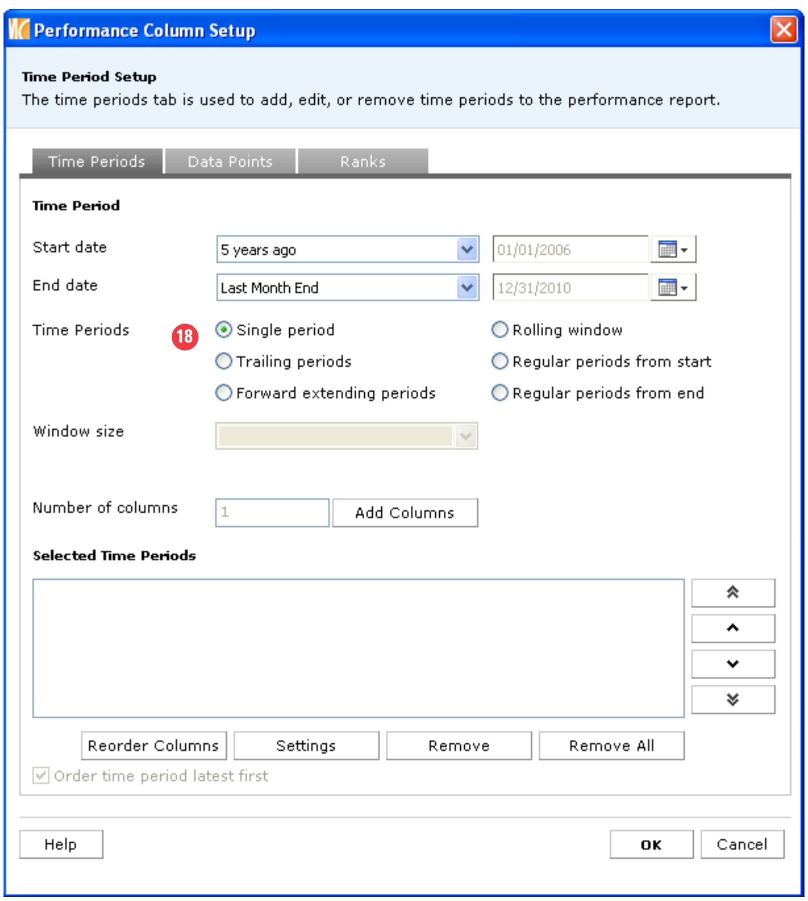


16. You will now be taken to the Select Column dialog box. We will maintain the default, *User Defined*.

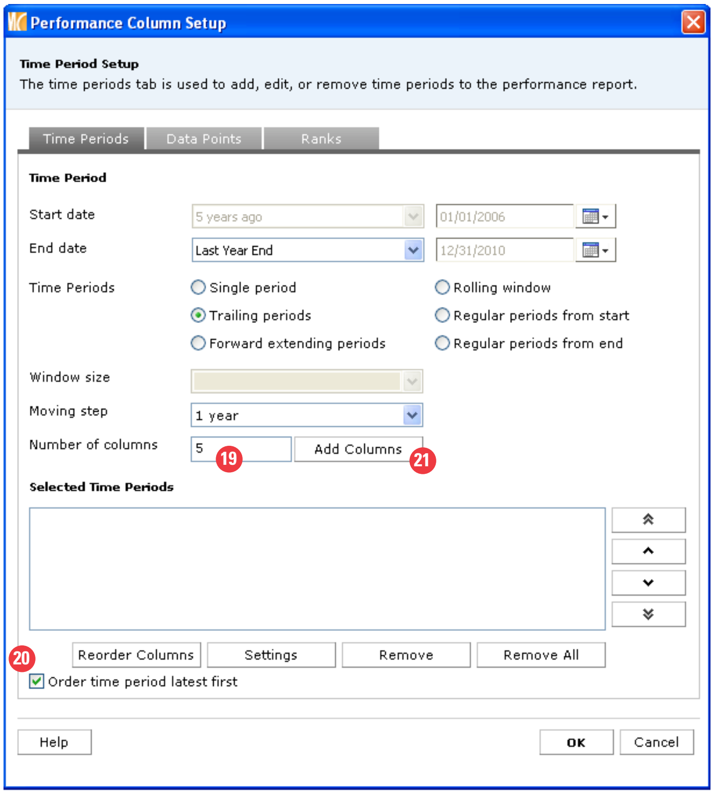


17. Click *OK* to be taken to the Performance Column Setup Dialog box.

18. In the Time Period tab, the defaults are 5 years ago for Start date, Last MonthEnd for End Date, and Single Period for Time Periods. Refer to the custom calculations chapter of the user guide for further understanding of time period options. Click on *Trailing periods*.



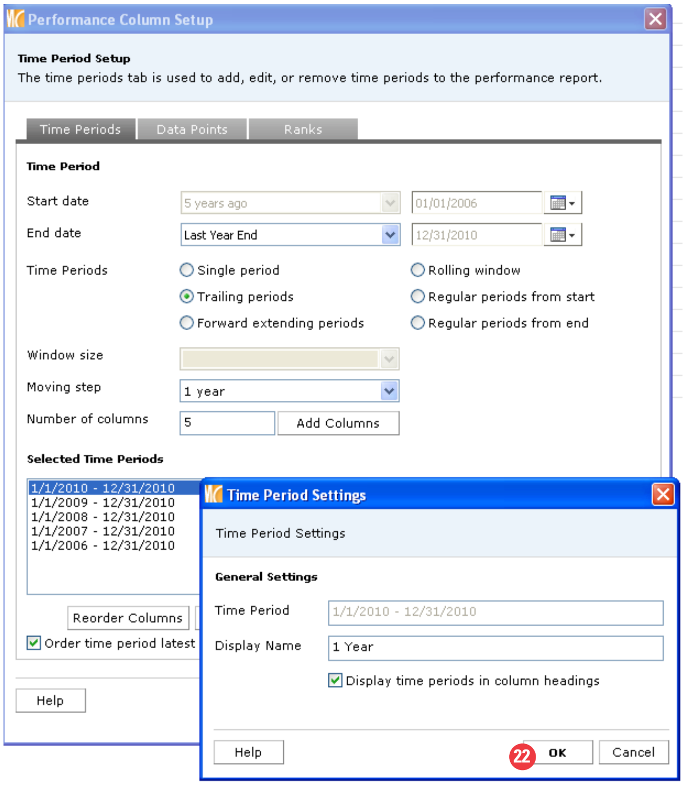
19. Go to *Number of Columns* and input 5.



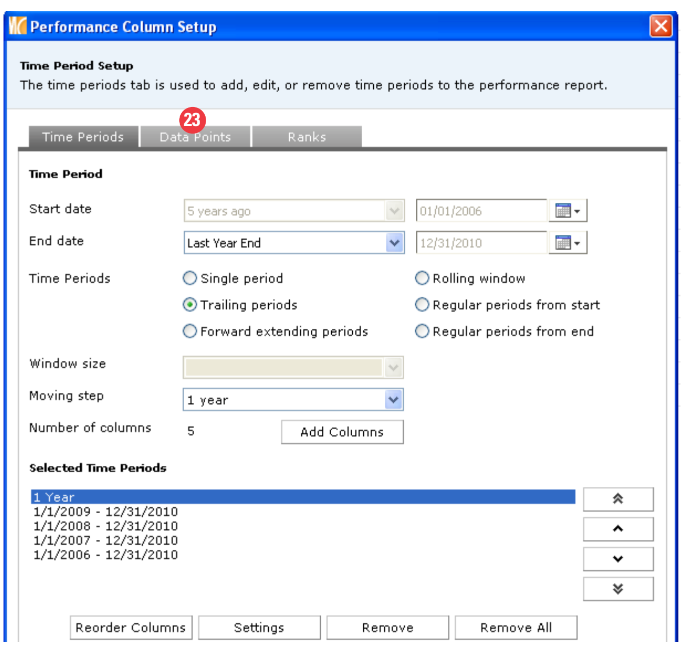
20. Check the bottom box to *order the time period from latest to first.*

21. Click *Add Columns* and you will see the time periods displayed in the Selected Time Periods box.

22. Double click on a time period and you will be taken to the Time Period Settings dialog to alter the Display Name. Once you've typed the name, click *OK*.

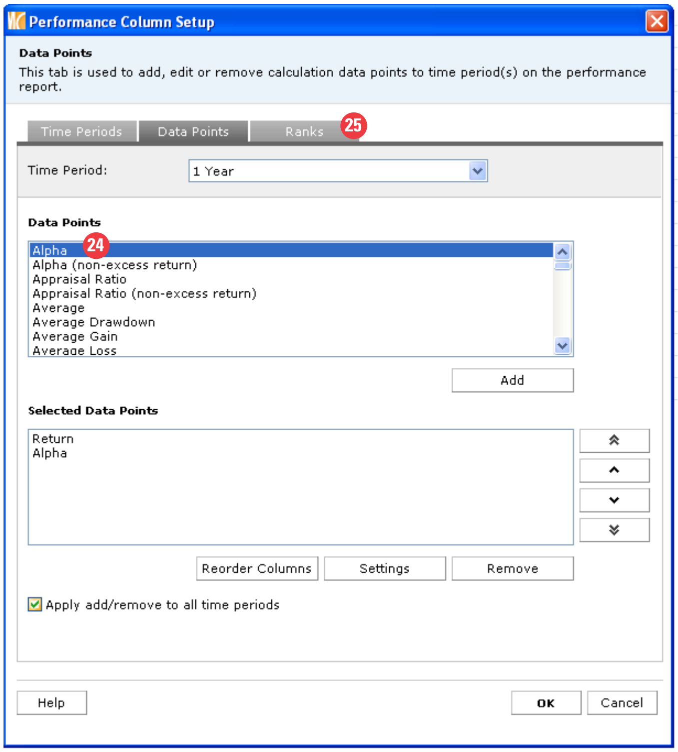


23. Next, click on the *Data Points tab*.



At any point, you can reorder the columns with their datapoints.

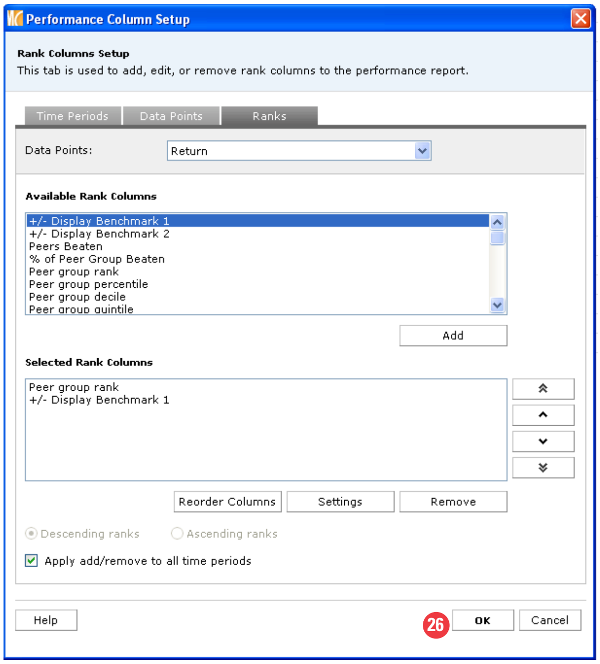
24. Here, you can select from a choice of over 100 custom calculations. *Select Alpha.*



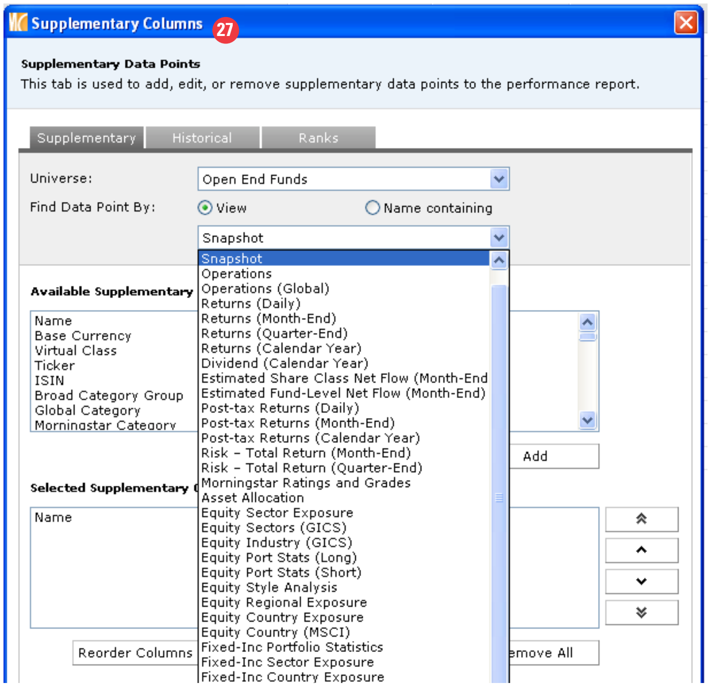
Keep Apply Add/Remove to all Time Periods checked.

25. Go to the *Ranks tab* to add rank columns to the selected performance data.

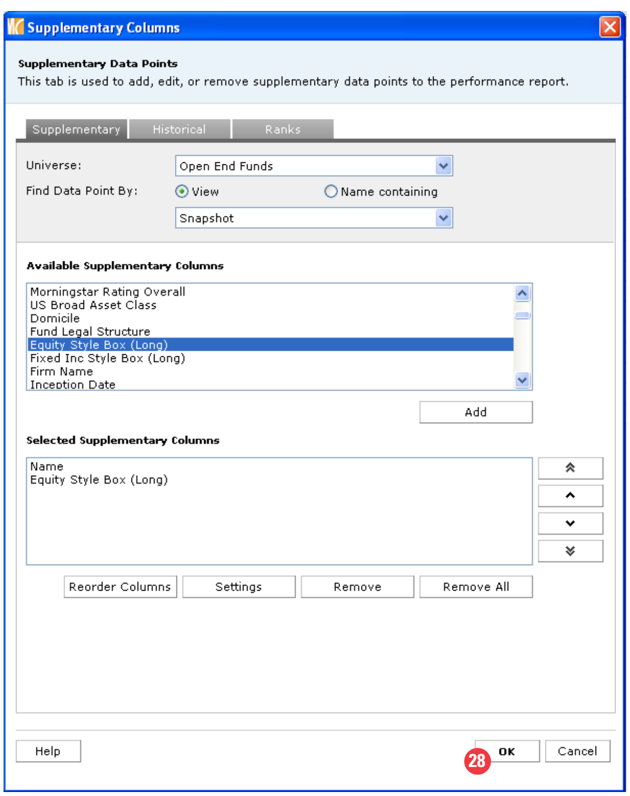
26. Select *+/- Display Benchmark 1* to display the excess return of each trailing time period relative to the benchmark. Click *OK*.



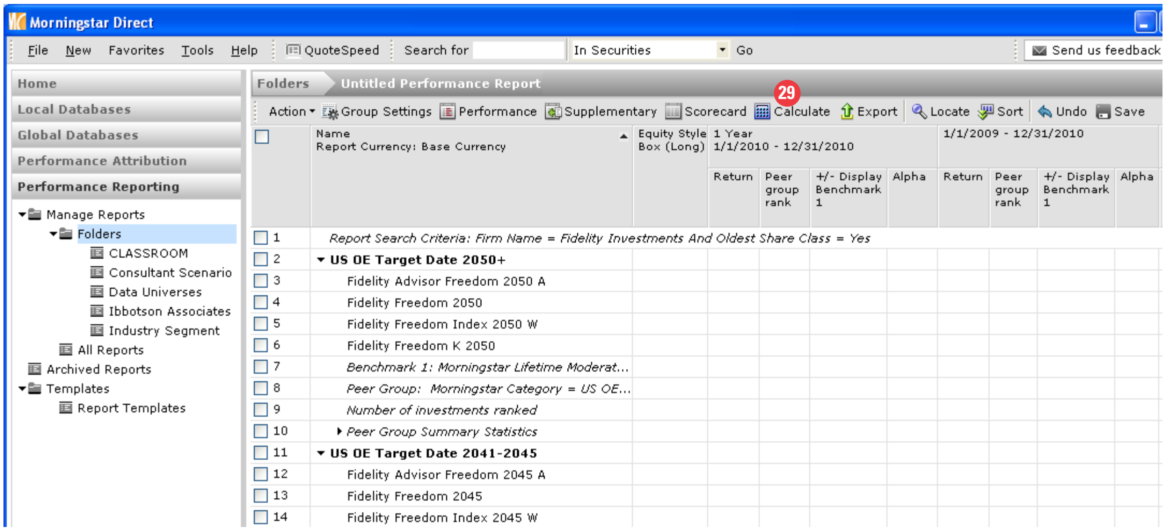
27. You will automatically be taken to the Supplementary Column dialog box to select non-custom calculation data points.



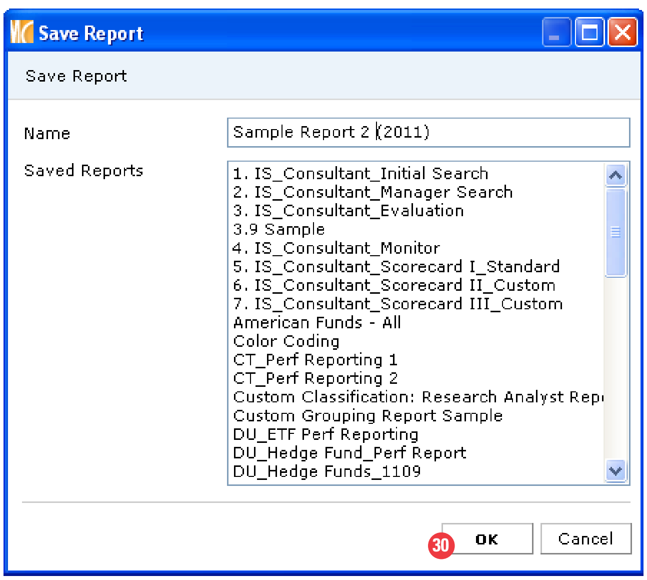
28. Here, you can select data from the Supplementary and Historical tabs and further apply ranks to specific data points. Once you've decided, click *OK* and you will be taken back to the grid view.



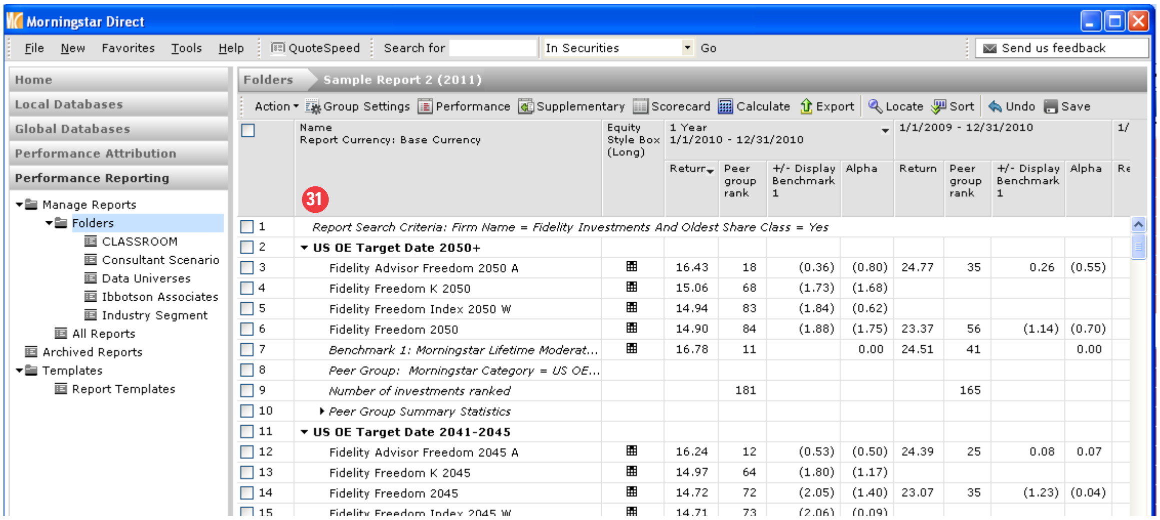
29. Click *Calculate* to generate the report.



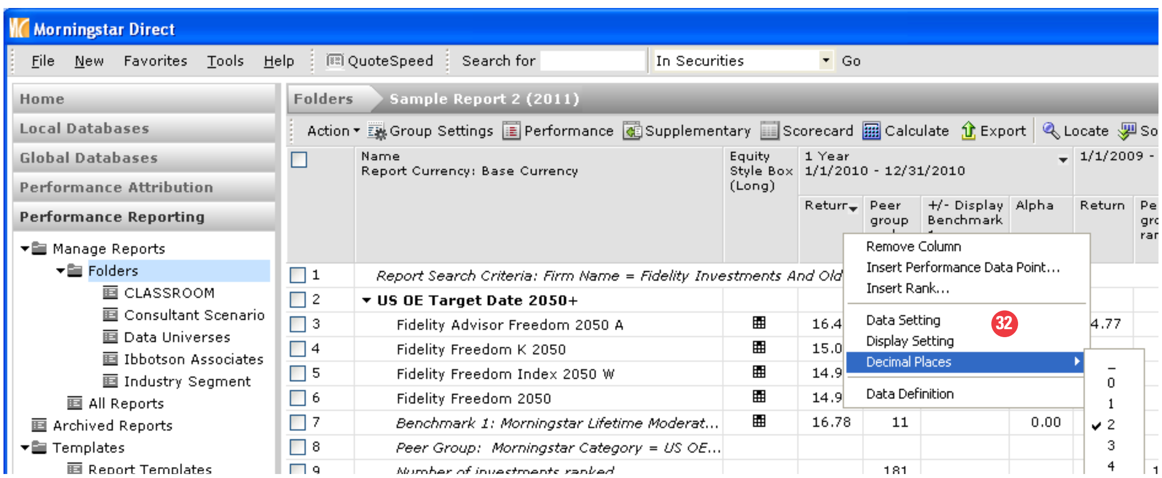
30. Name your report and Click *OK* to run the report.



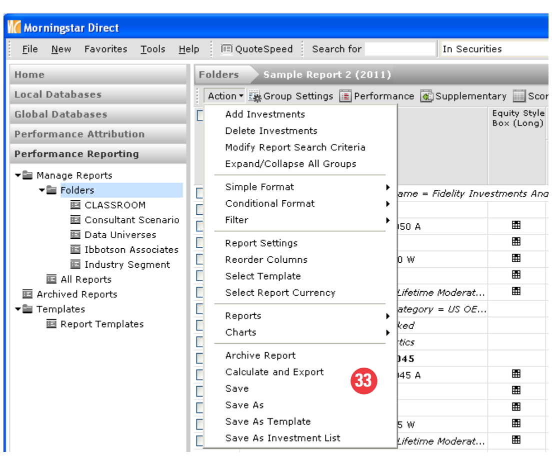
31. You have successfully generating a Custom Performance Report.



32. At any point, you can do a right click to customize your columns such as the number of decimal places.



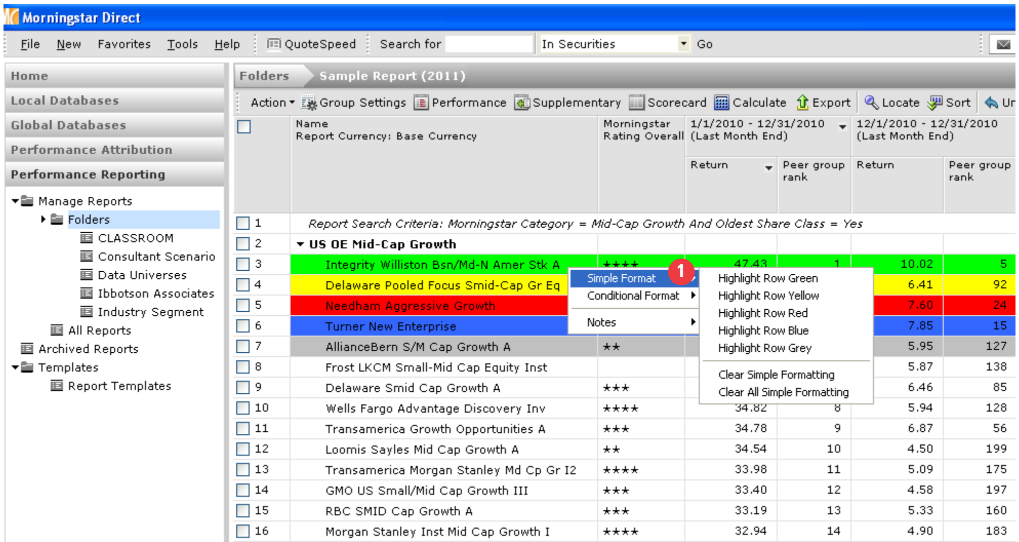
33. Go to Actions to benefit from the various choices such as saving your report as a template.



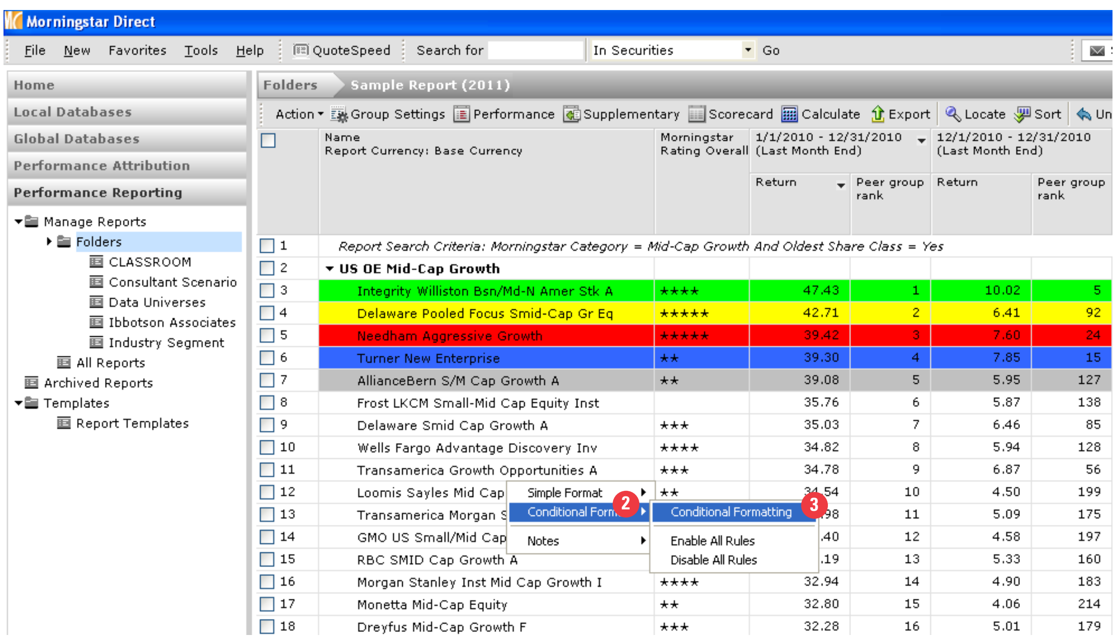
Apply Simple and Conditional Formatting

Simple and Conditional Formatting gives you the ability to distinguish specific investments from others. Simple Formatting allows you to select each investment and highlight it whereas Conditional Formatting allows you to identify specific criteria.

1. Open an existing performance report. While right-clicking on an investment, select *Simple Format* to highlight a row with a specific color.

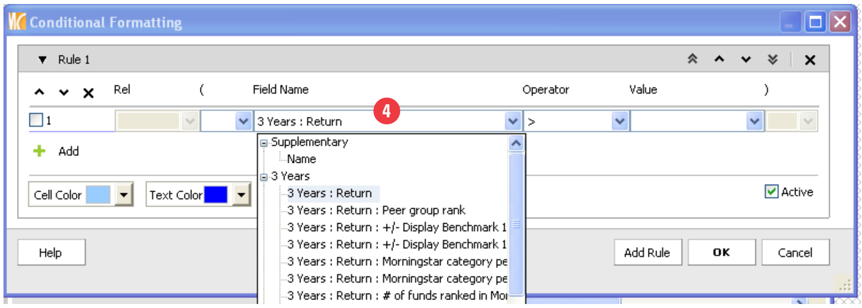


2. Next, right click anywhere on the grid view to select *Conditional Format*.

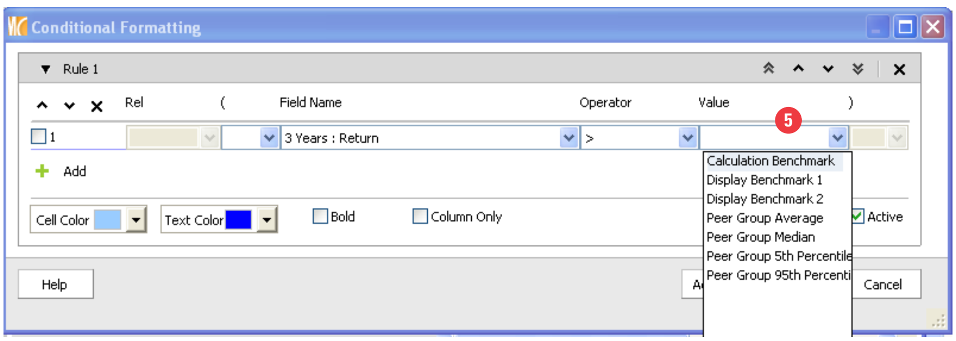


3. Select *Conditional Formatting* and you will be taken to the Conditional Formatting dialog box to create your rules.

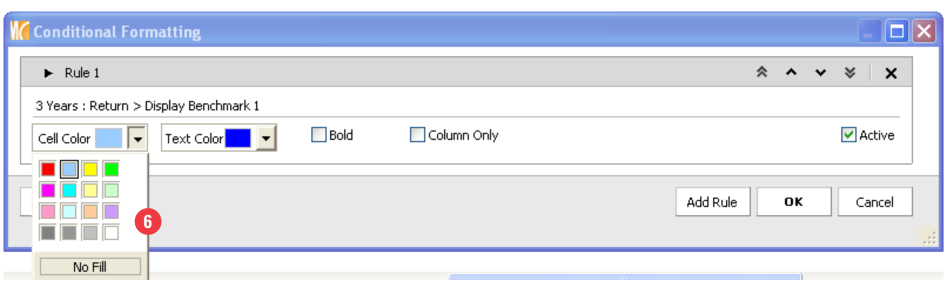
4. You can create as many rules as you want with conditional formating. Go to the *Field Name* drop down and start creating your rules.



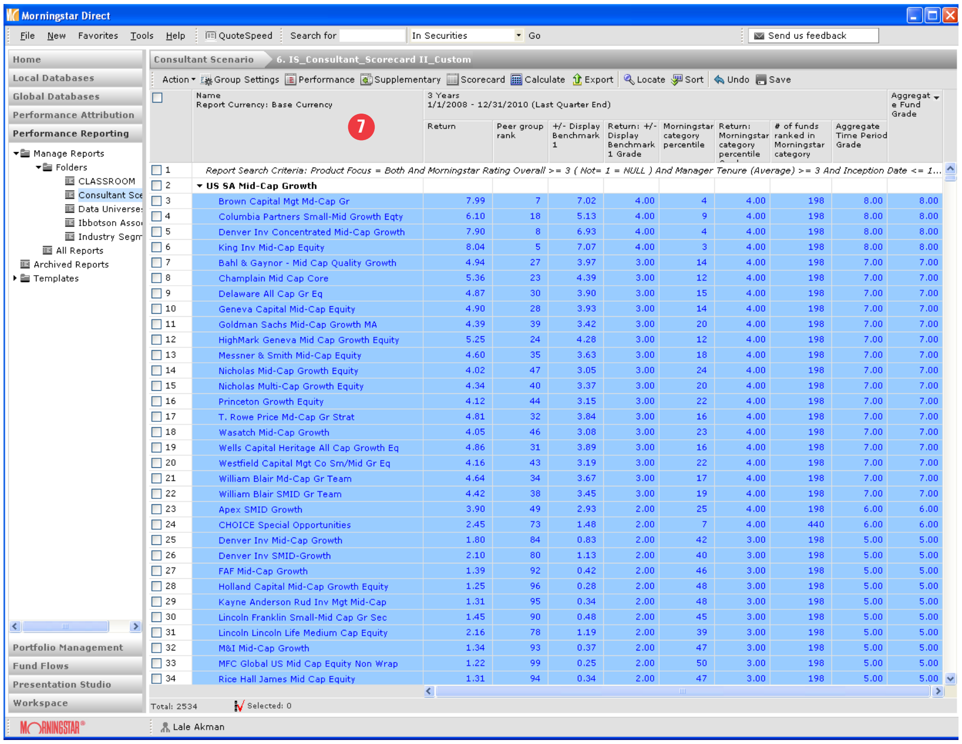
5. Go to the *Value* drop down to create a rule relative to benchmarks or peer groups.



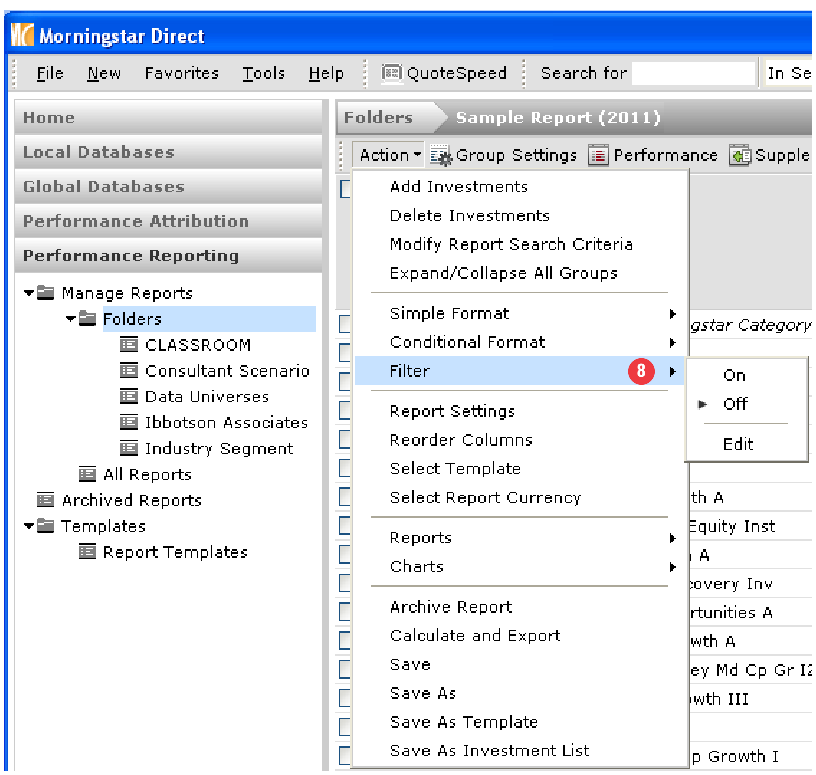
6. Once you've completed creating your rule, identify the *Cell Color* and *Text Color* to highlight the results.



7. You've successfully applied conditional formating to view your results.

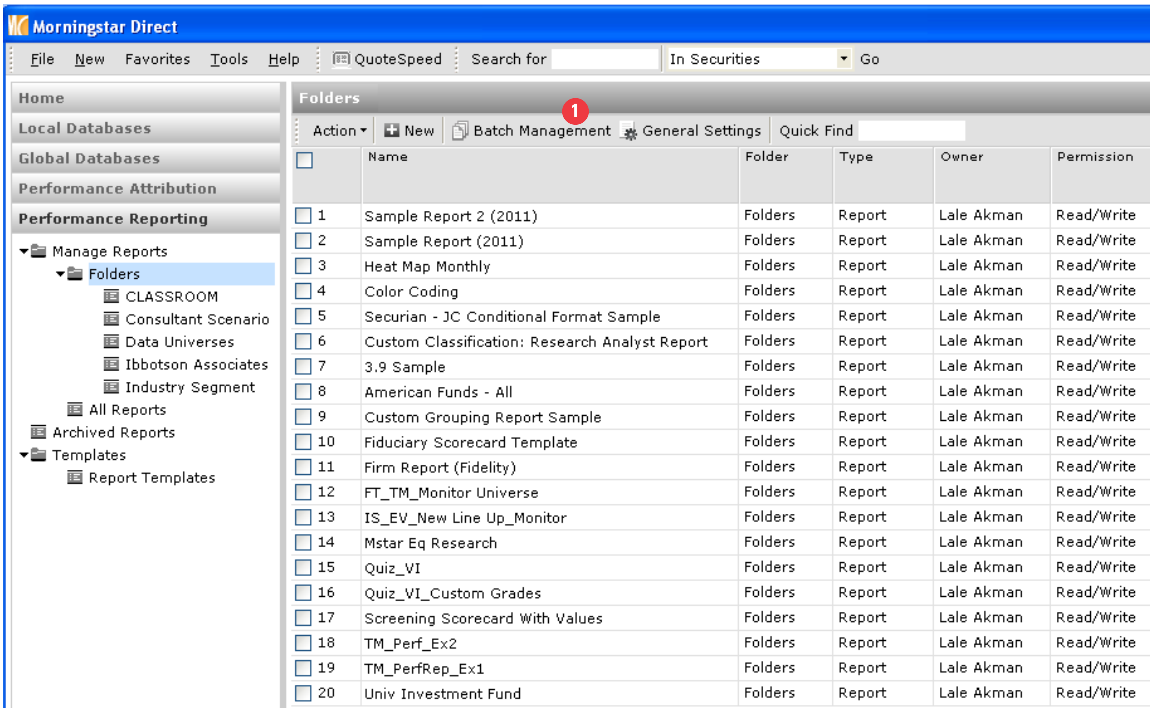


8. You can also go to Actions to *Filter* your results by only displaying the highlighted results and hiding everything else that doesn't apply.

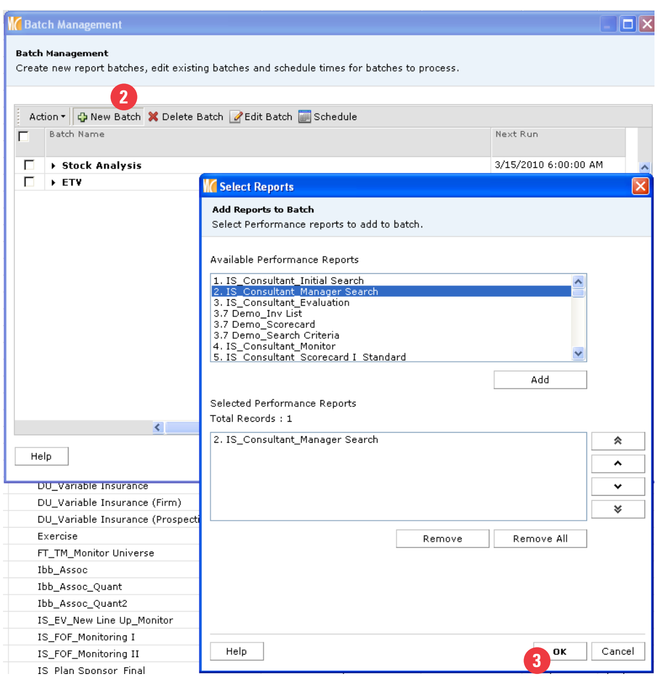


Automatically Run Reports using Batch Scheduling

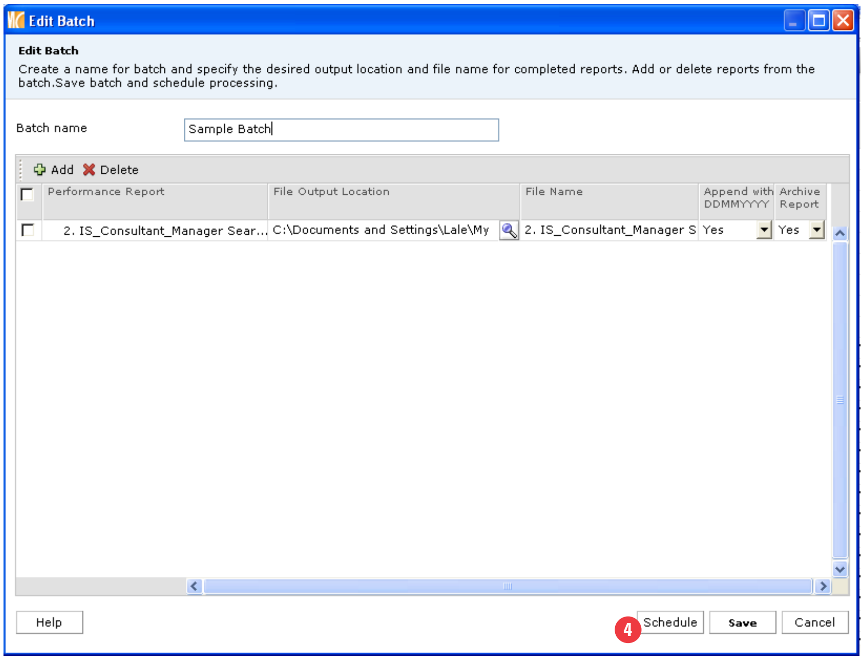
1. Once you create your report, you can schedule a batch to run the report automatically. Click on *Batch Management*.



2. Select *New Batch*.

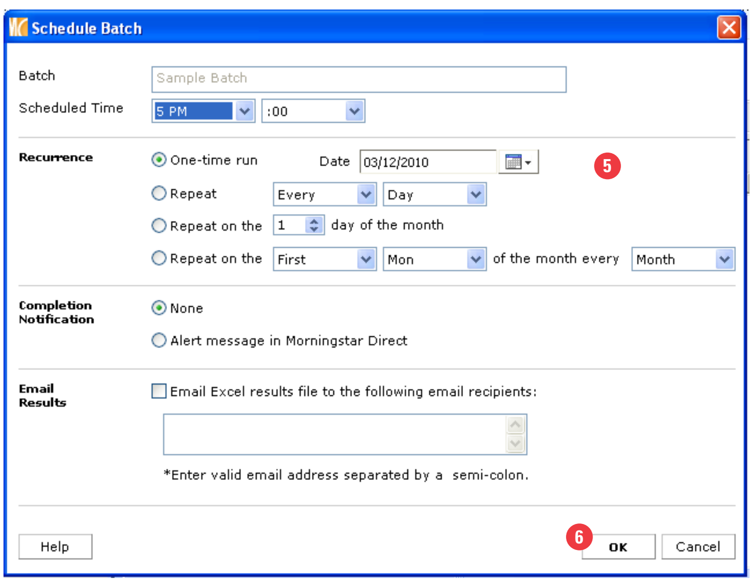


3. Select the desired report(s) and click *OK* to be taken to the Edit Batch dialog box.

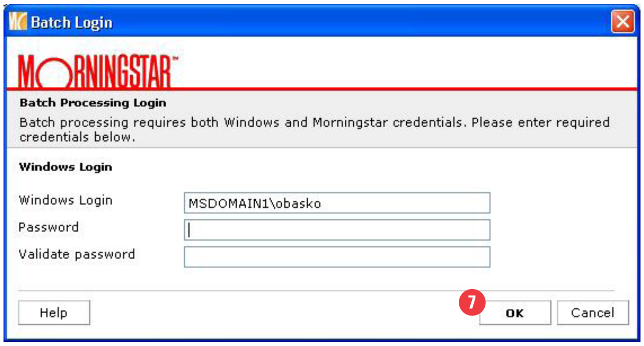


4. Once you've determined your file locations and other settings, click *Schedule*.

5. Set your settings in the Schedule Batch window.

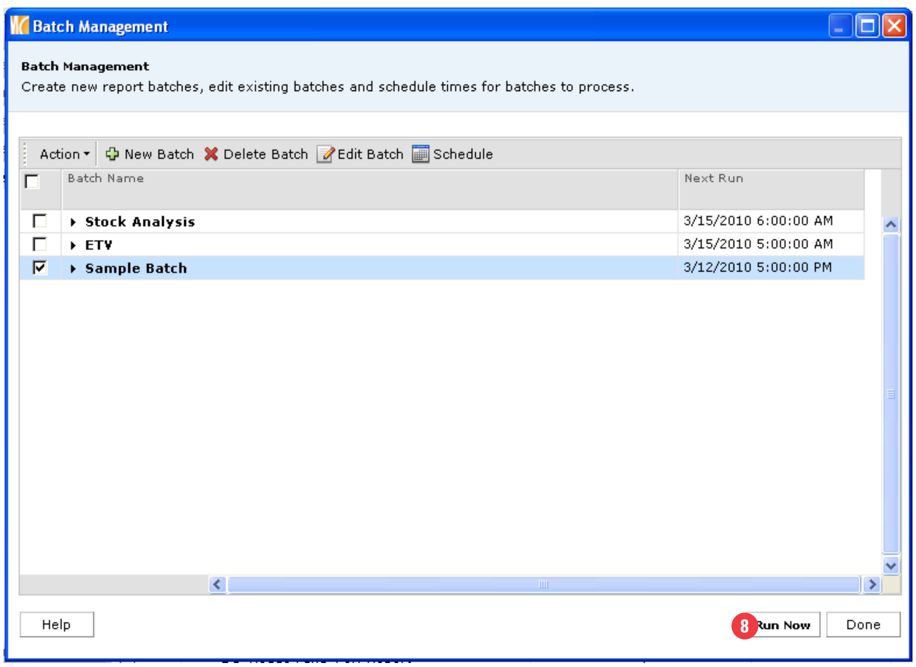


6. Click *OK* and you will be taken to the Batch Login dialog box.



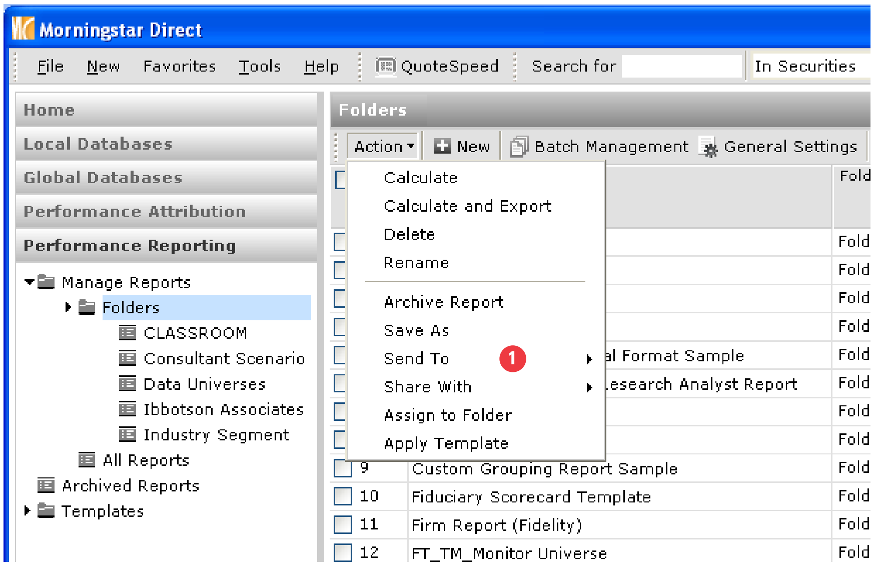
7. Enter your Password and click *OK*.

8. You've completed setting up the Batch. Based on your settings, your reports are now scheduled to run automatically. You can also choose to run the report now, by clicking *Run Now*.



Send and Share your Reports with other Morningstar Direct Subscribers

1. Once you've created your report, you can send or share with your colleague within or outside your firm.



Portfolio Management

Portfolio Management is a workspace to create, analyze, and manage investment strategies, Model Portfolios, Custom Benchmarks, and Accounts. In addition to producing various analyses, you can create account groups as structured organization of accounts for easier account management and be able to view your full list of securities. Model Portfolios, Custom Benchmarks, and Accounts are commonly known as object types and they can be applied to the various product areas of Morningstar Direct. Once these object types have been created, you can also attach your Account to a Model Portfolio to then attach your Model Portfolio to an investment strategy – all in Portfolio Management.

This chapter is broken down by the following sections. You will notice the workflow logic is the same for each object type. The only difference is the section on Importing an Account with a Custodian Template.

Outline
Portfolio Management Definitions
User Preferences
Manually Create a Model Portfolio, Custom Benchmark, or Account
Import a Model Portfolio, Custom Benchmark, or an Account with Morningstar Templates
Import an Account with Custodian Template
Edit your Model Portfolio, Custom Benchmark, or Account
Produce Portfolio Aggregation Report for a Model Portfolio, Custom Benchmark, or Account
Apply Model Portfolio, Custom Benchmark, and Account to Product Areas of Direct
Utilize Additional Portfolio Management Features

If you have not converted your aggregates or position accounts into model portfolios, custom benchmarks, or accounts, click on this URL for detailed instructions before reading further:
http://morningstardirect.morningstar.com/clientcomm/PortfolioManagementConversion.pdf

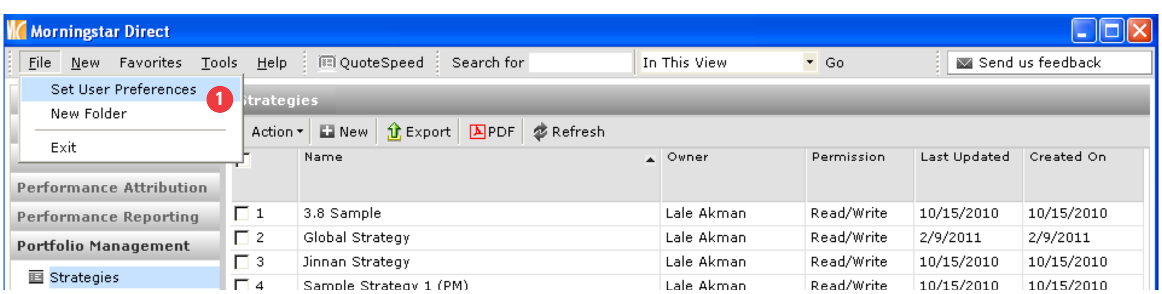
Portfolio Management Definitions:

Selection	Purpose	Import Returns	Import Holdings	Rebalancing Frequency	How are Returns Generated?
Strategies	An investment strategy is a set of rules and behaviors, mandates or investment policy, designed to guide the selection of investment portfolio for an investor. In Portfolio Management "Strategies" allow users to create a strategy with data from Morningstar's database, custom benchmarks or accounts. After these strategies are created, users can attach them to Model Portfolios in the "Model Portfolio Basics" window.	No	No	n/a	Selected Holdings
Model Portfolios	A model portfolio is a pre-constructed portfolio of investible securities that helps investors achieve the goals/targets, specific risk profile and/or specific mandates dictated in an investment strategy. **Formerly labeled "Aggregate."**	Yes	Yes	Yes	Imported Returns OR Investments selected/imported (Morningstar Database)
Custom Benchmarks	A custom benchmark is a portfolio constructed of proxies/indexes or market averages that appropriately compares and measures investment performance and risks of an account. **Formerly labeled "Aggregate."**	Yes	Yes	Yes	Imported Returns OR Investments selected/imported (Morningstar Database)
Accounts	An account is an investment account where an investor holds the securities. If an account is associated with a model portfolio then that account is subjects to the target/goal and mandates of that model portfolio and/or the strategy the model portfolio is trying to achieve. Accounts will retain the "X-Ray" feature. **Formerly labeled "Position Account."**	Yes	Yes	Yes	Imported Returns OR Investments selected/imported (Morningstar Database)
Account Group	An account group is the grouping together of accounts with similar attributes for analysis as a whole. It could be accounts that are associated with the same model portfolio, accounts grouped together with the same investment strategy, or accounts that belong to the same household or entity. In Portfolio Management, "Account Groups" allow users to create custom groups for Strategies, Model Portfolios and Accounts.	No	No	n/a	Returns are NOT Generated for Account Groupings
Securities Invested	Full list of securities included in all Accounts, Custom Benchmarks and Model Portfolios.				
Saved Reports	List of all reports saved within Morningstar Direct. Same functionality as the "Saved Reports" folder in workspace.				

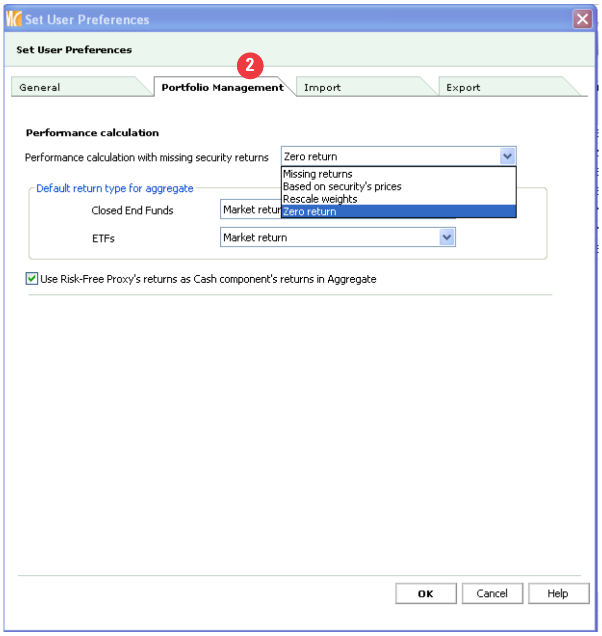
User Preferences

Before you begin to utilize Portfolio Management, it's very important to set your user preferences for performance calculations and import components.

1. Go to File and select *Set User Preferences*.

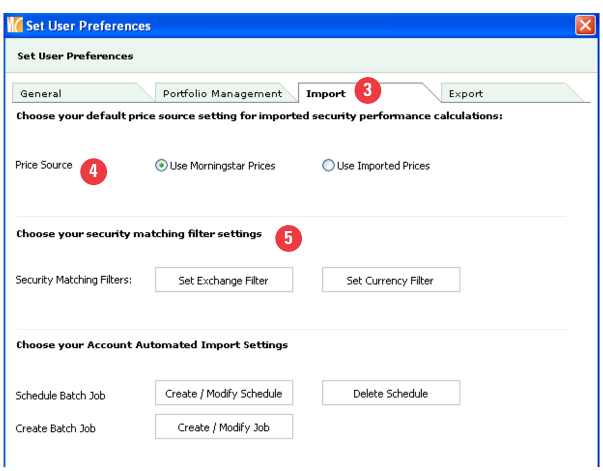


2. Go to the Portfolio Management tab and select the *performance calculation for missing security returns*.



You have four options as to treating securities with missing returns:
Missing Returns: the performance for the entire import will not be calculated. This is the default.
Based on Security's Prices: performance will be calculated based on the imported price.
Rescale Weights: the security is removed from the performance calculation and the weights for the remaining securities are rescaled.
Zero Return: the performance is made zero for the missing period in the import performance calculation.

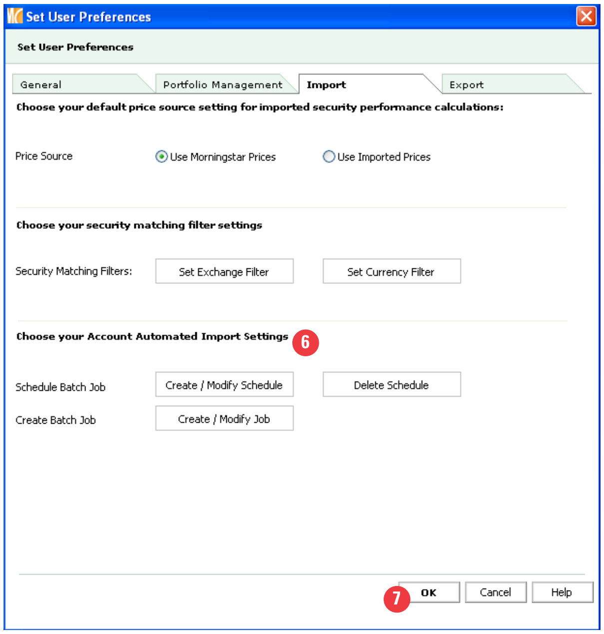
3. Next, click on the *Import* tab.



4. Go to the *Price Source* to select your default price source for imported security performance calculations. This is applicable for Imports using both Morningstar Templates and Custodian Templates.

5. Select your settings for *Exchange and Currency Filters*. This is applicable for Imports using both Morningstar Templates and Custodian Templates.

6. Select your *Account Automated Import Settings*. This is only applicable to Custodian Templates.

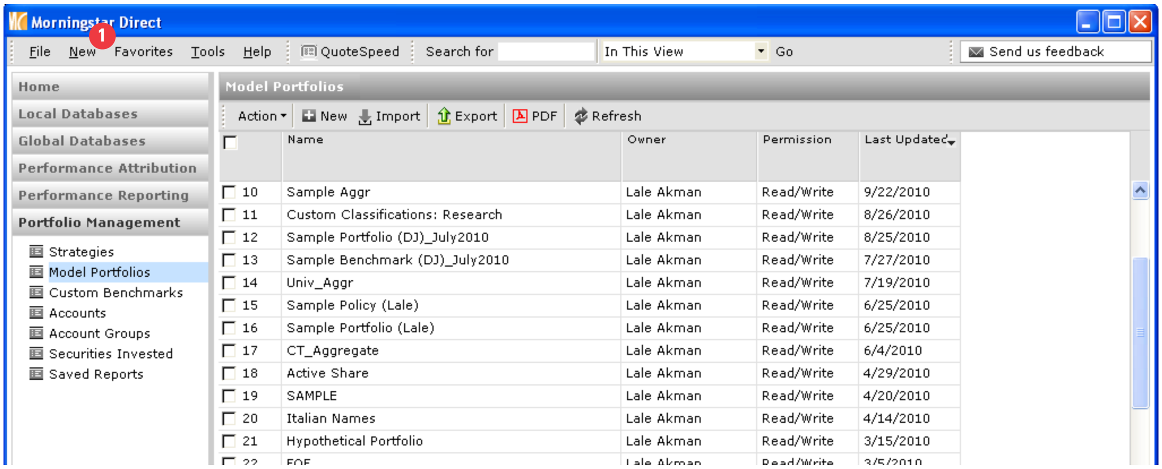


7. Once complete, click *OK*.

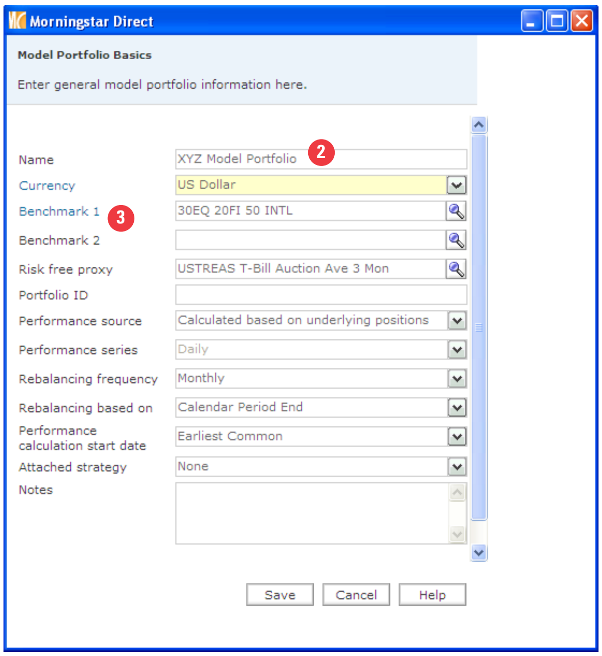
Manually Create a Model Portfolio, Custom Benchmark, or Account

In Portfolio Management, you can create Model Portfolios (hypothetical), Custom Benchmarks (hypothetical), or Accounts (actual portfolios). Examples include a model fund-of-fund, blended benchmark, private strategy or client account. You can create these object types by importing holdings/returns or by manually creating them either through an investment list or building your portfolio through the Holdings Entry window. In this chapter, we use the Model Portfolio as our example to build a portfolio using the Holdings Entry window. The same workflow logic would apply to Custom Benchmarks and Accounts but the difference is that the workflow would take place in the Custom Benchmark or Accounts folders.

1. Go to Model Portfolios in the Portfolio Management folder and click on *New*.

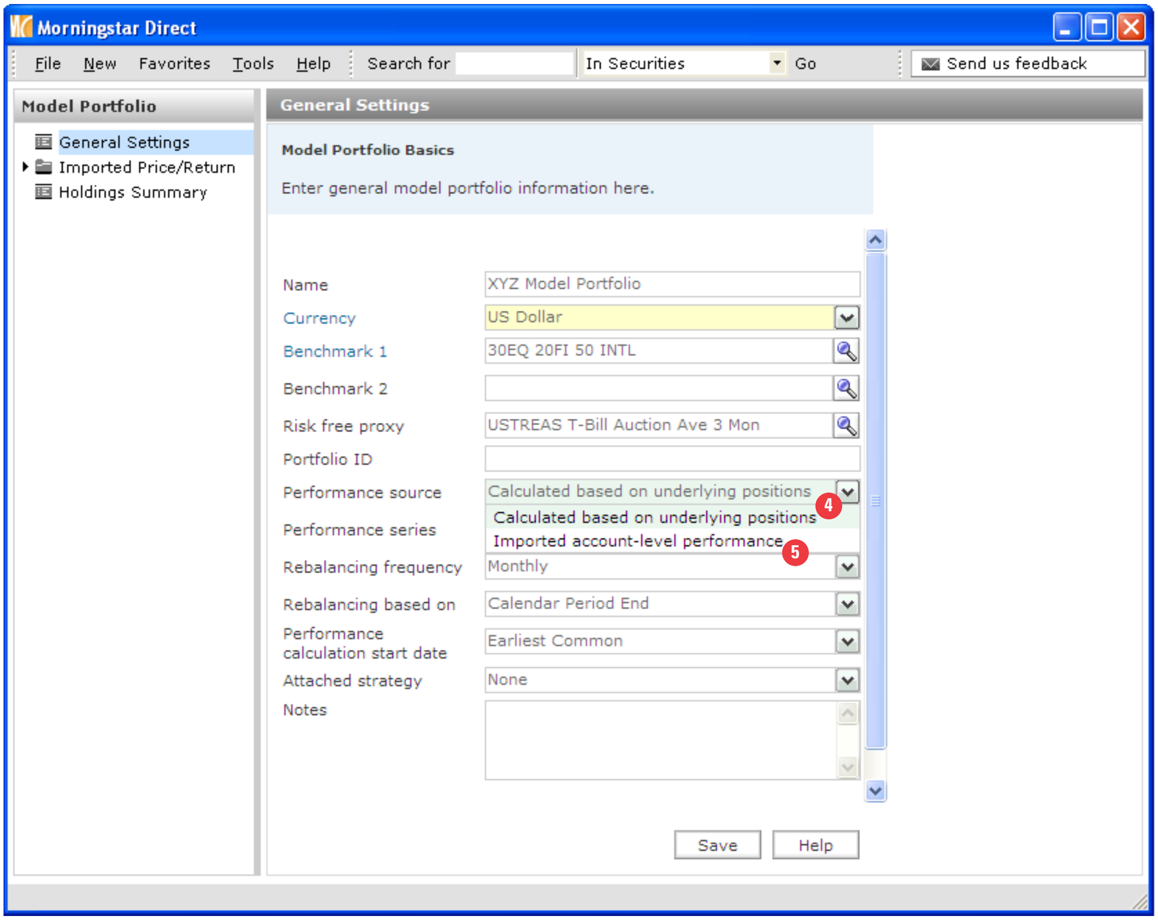


2. You will be taken to the Model Portfolio window to enter your information. Enter the *Model Portfolio Name*.



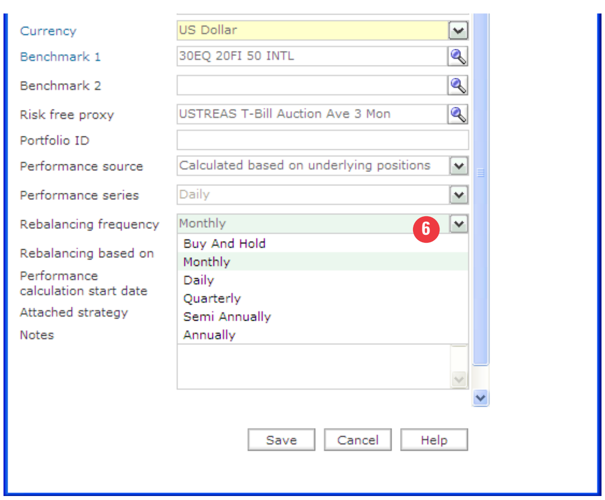
3. Continue to add the *Benchmark 1* and/or Benchmark 2. This exercise is also applicable to Custom Benchmarks and Accounts where the workflow is identical. Once you created a custom benchmark, you can apply it to your Model Portfolio Benchmark 1 or Benchmark 2.

4. Go to *Performance Source* where you will have two options to select how to calculate performance. The first choice is calculating the performance based on underlying positions. This is the default.

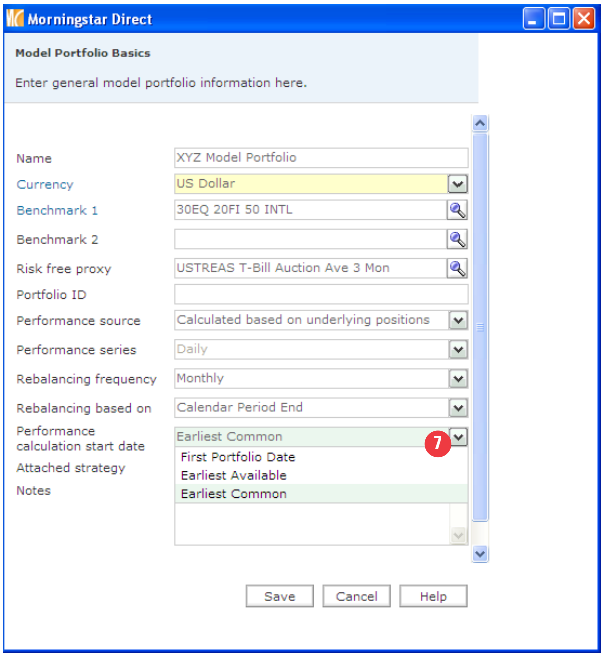


5. The second choice is *import account-level performance* where you can import the actual return series as shown on the left pane under Model Portfolio

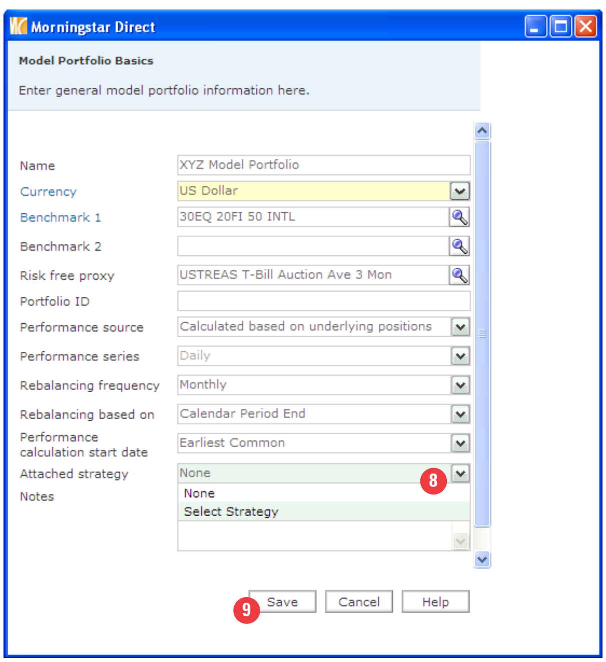
6. Click on the *Rebalancing Frequency* where you can select from the various rebalancing choices. Monthly rebalancing is the default. Based on your selection, you can also decide if the Rebalancing is based on Calendar Period End or Rolling Period End Based on Portfolio Date.



7. Go to *Performance Calculation Start Date* to select from the various choices. Earliest Common is the default where the Holdings will automatically be the Earliest Common Date once you populate your Model Portfolio with stocks, funds, fixed income, or cash.

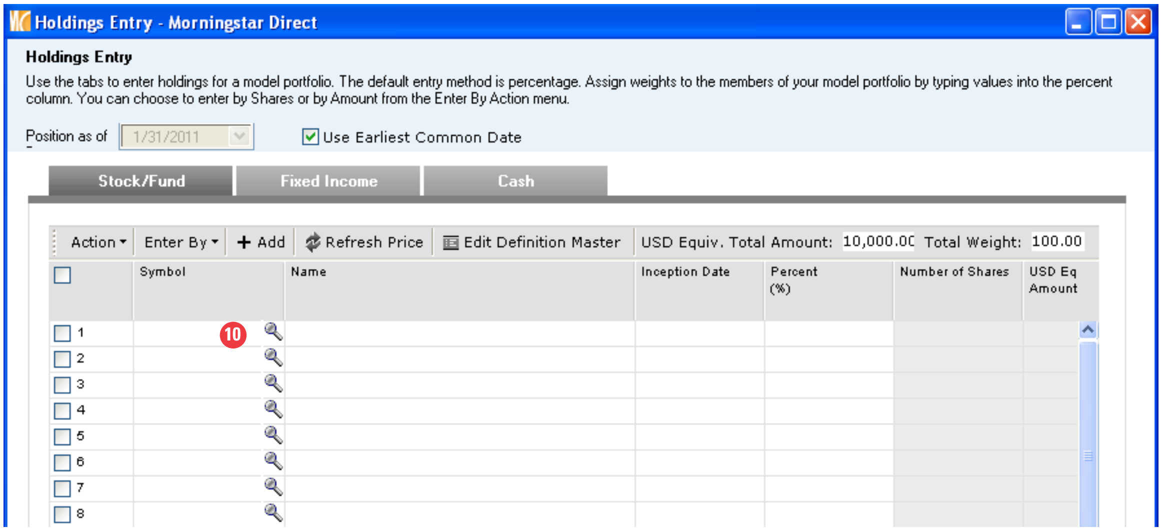


8. Go to *Attached strategy* should you want to attach your model portfolio to a Strategy. See section "Utilize Additional Portfolio Management Features" for more detail.

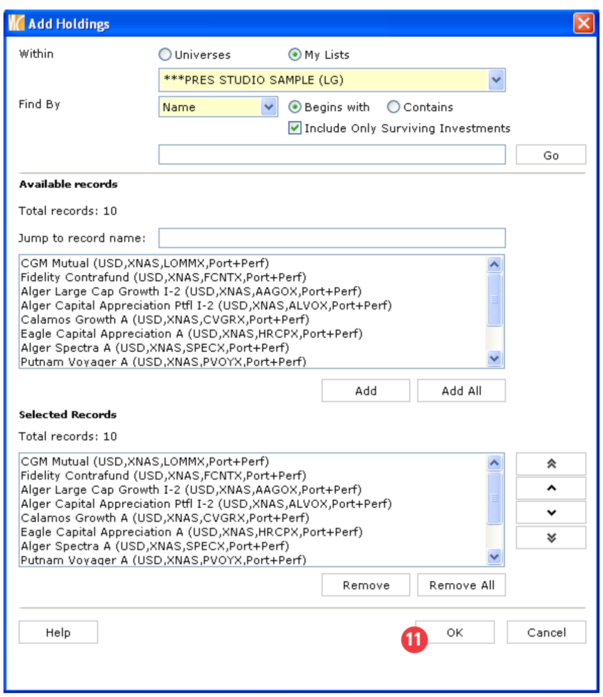


9. Click *Save*.

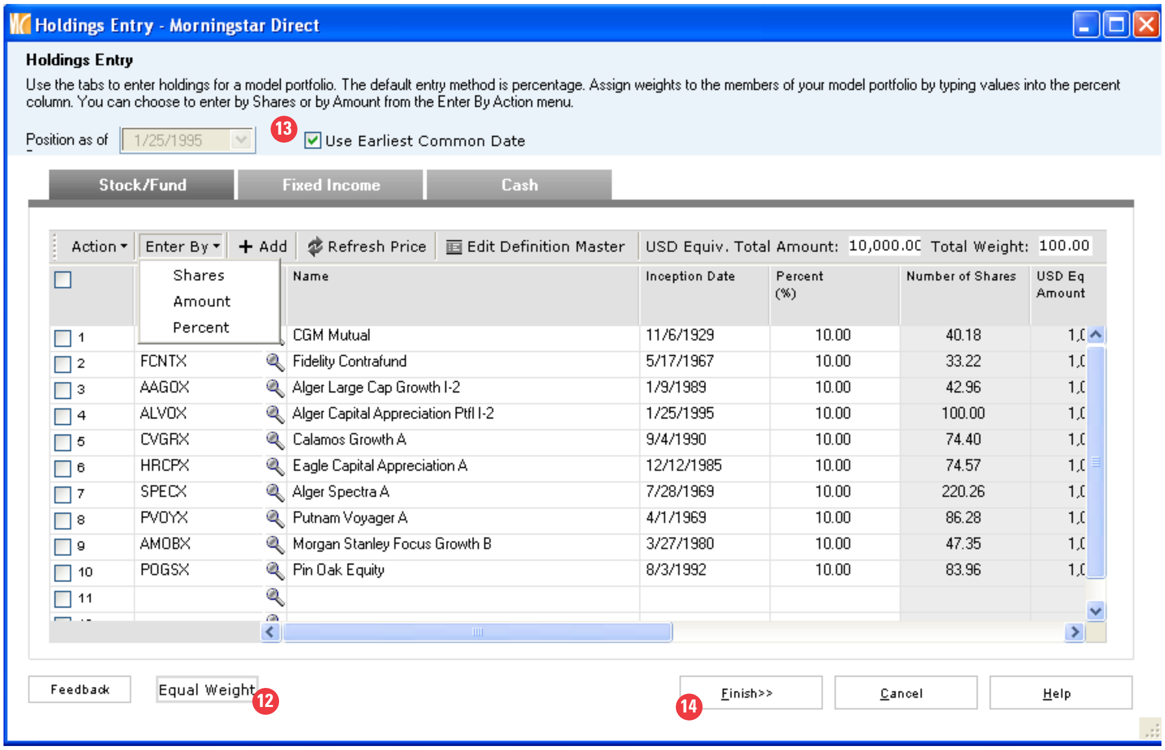
10. You will be taken to the Holdings Entry view where you can enter stocks, funds, fixed income instruments, and cash. For our exercise, we will stay in the Stock/Fund tab. Go to row 1 and click on the *Magnifying Glass*. You can also enter investments by clicking + Add.



11. You will be taken to the Add Holdings window to search for the investments with the various Universe choices or retrieve names from an existing investment list. Go to My Lists and locate a list to populate the model portfolio. Once you've added the selected names to the Selected Records box, click *OK*.



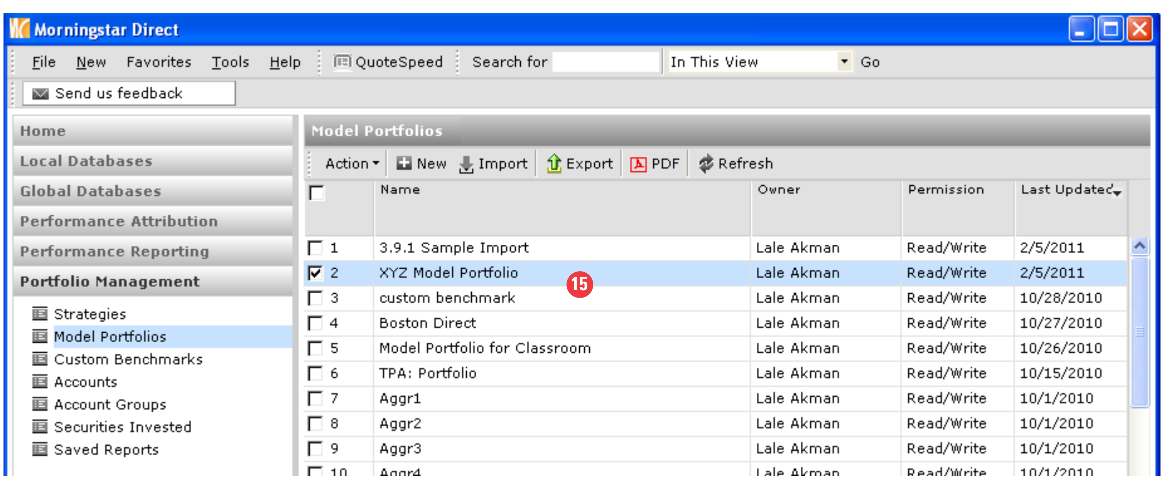
12. Back in your Holdings Entry view, you will see your list of investments added to your list. You can allocate the number of *shares, market value, or % of net assets* by clicking on Enter By dropdown. You can also give equal weighting to the funds. Select *Equal Weight* and it will automatically allocate the equally weighted percent across the funds.



13. Note your *Position as of Date* automatically changed from the previous month-end to the earliest common date.

14. Click *Finish* to complete.

15. Your new *Model Portfolio* will be stored in the Model Portfolio folder.



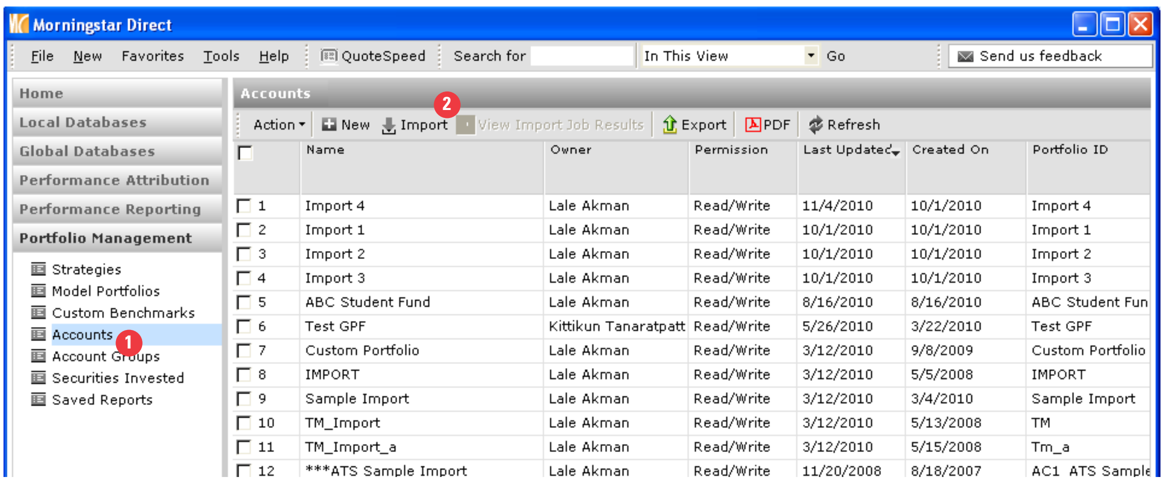
Import a Model Portfolio, Custom Benchmark, or an Account with Morningstar Templates

In this section, we will learn how to import holdings and return data using Morningstar Templates. Accounts will be our example but the same workflow logic would apply to Model Portfolios and Custom Benchmarks–the difference is that the import workflow would take place in the Model Portfolio folder or the Custom Benchmarks folder.

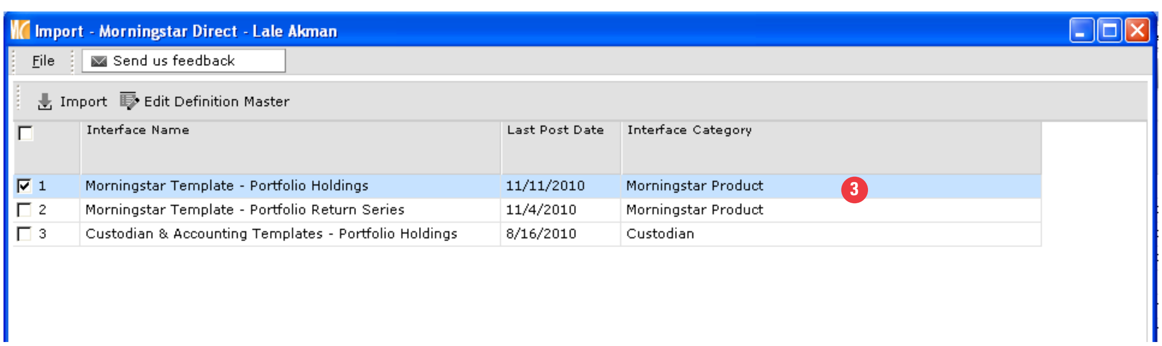
Import Portfolio Holdings

When using the Morningstar template, your import holdings files must contain the following columns: Portfolio Date, Portfolio Identifier, Portfolio Name, Holding Identifier, Holding Description, Market Value (alternatively shares, price, or weight), Coupon Rate (if applicable), and Maturity Date (if applicable). Supported file type is Excel. Multiple portfolios and portfolio dates can be imported in the same file. An imported portfolio must meet two business rules in order to pass Morningstar's security identification process:

1. To begin the import process, go to the Portfolio Management folder and click on the *Accounts* folder.

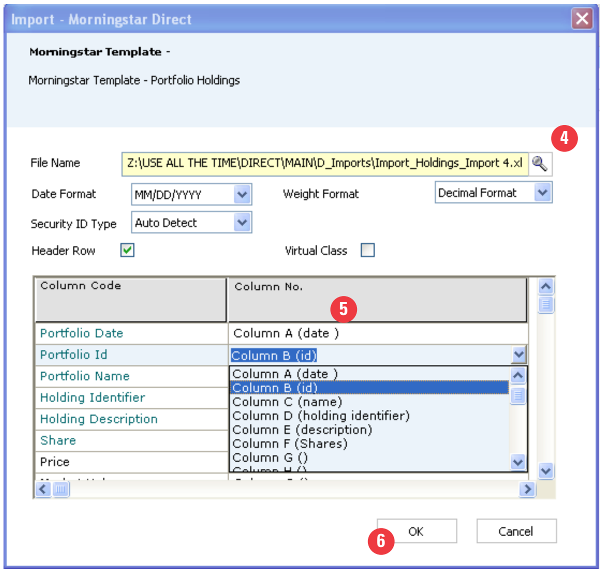


2. Click *Import* and you will be taken to the first Import window.



3. Double click on *Morningstar Template - Portfolio Holdings* and you will be taken to the second import window.

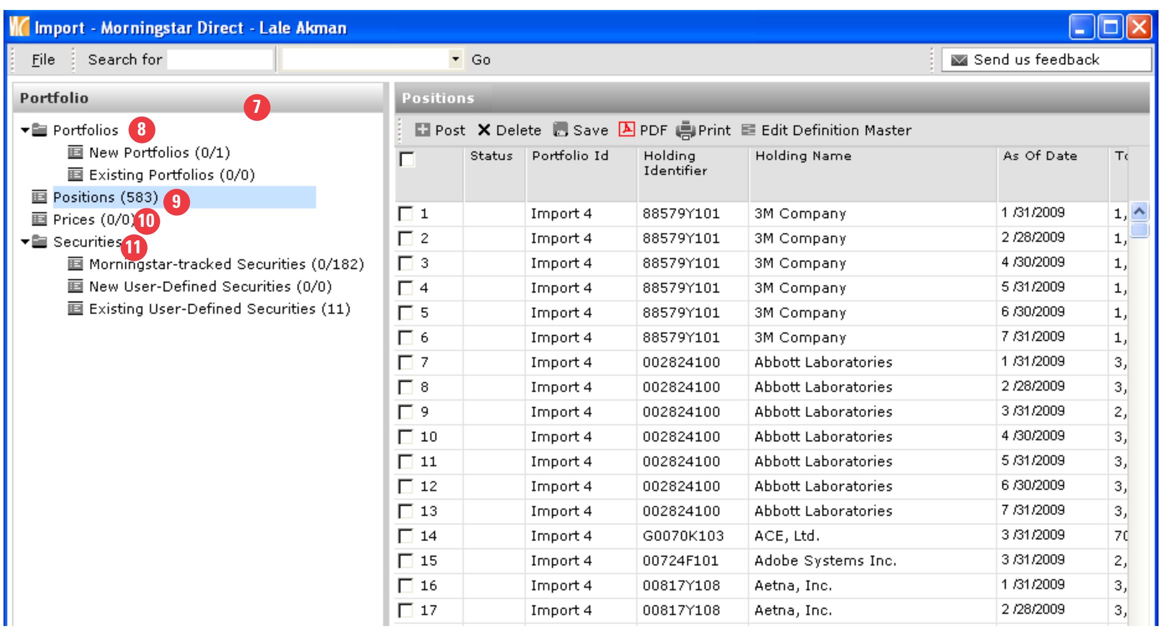
4. *Browse* for the file and if necessary, set the settings for the date format, security ID type, and weight format.



5. If the order of the data in the import file does not correspond to the default set-ups, click on the *column drop down* and adjust the order. Required fields are highlighted in green.

6. Once complete, click *Ok* and you will be taken to the third import window.

7. In the Portfolio folder, there are 4 subfolders.



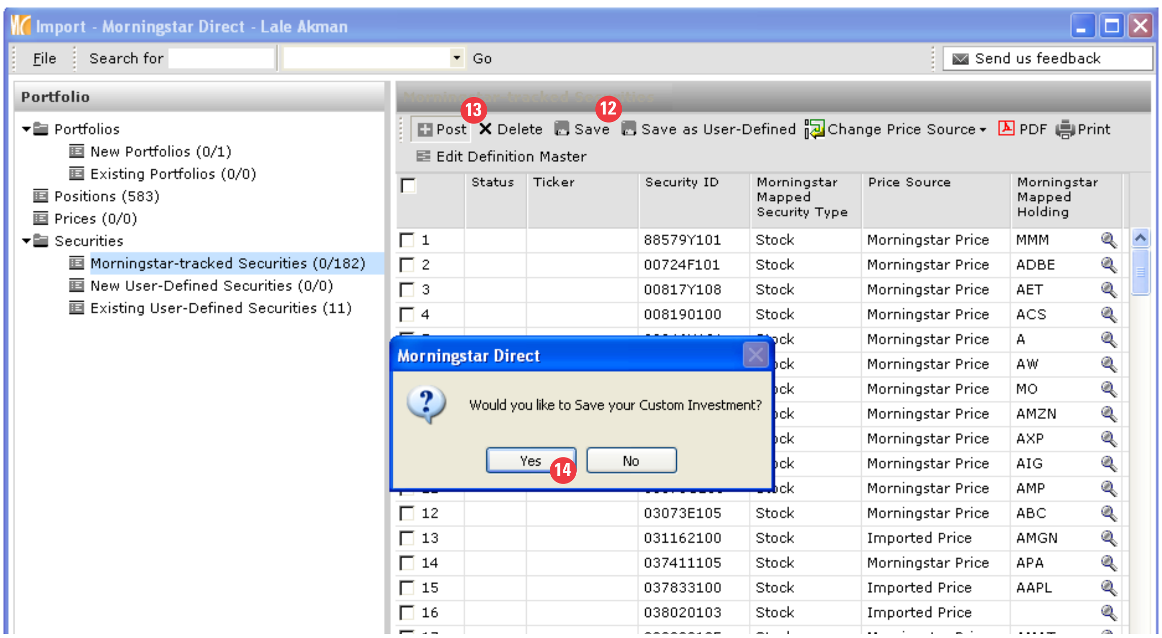
8. Go to the *Portfolio* folder. When you import a series for the first time, it will fall in the New Portfolios folder. When you update the imported data thereafter, you will see that your new portfolio will then be placed in the Existing Portfolio folder.

9. Go to the *Positions* folder where it will list all your Positions in your import. This is the default view.

10. Go to the *Price* folder to identify if any security didn't match the security map. 0/0 means all securities matched. 1/0 means that one security did not match and you would need to identify and match that security in the Securities folder.

11. Go to the *Securities* folder, if necessary, to match your unidentified securities to the security map. For example, should you see a red icon, it means that certain securities didn't map to the Morningstar or imported databases.

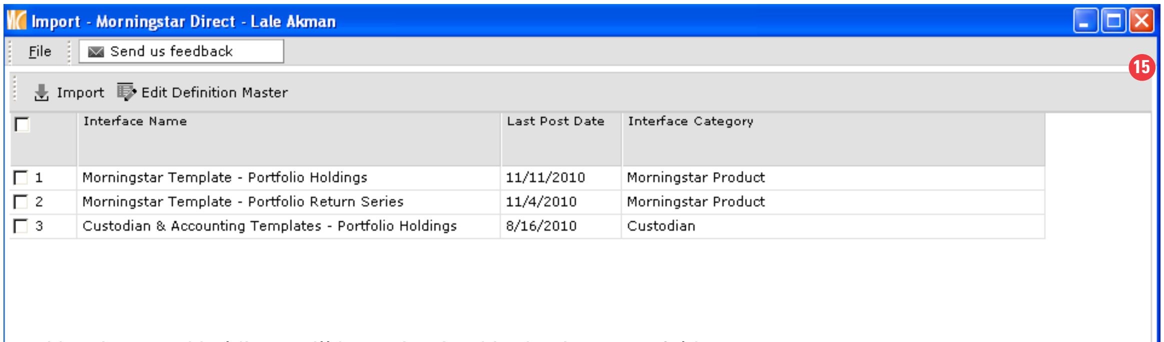
12. Click *Save*.



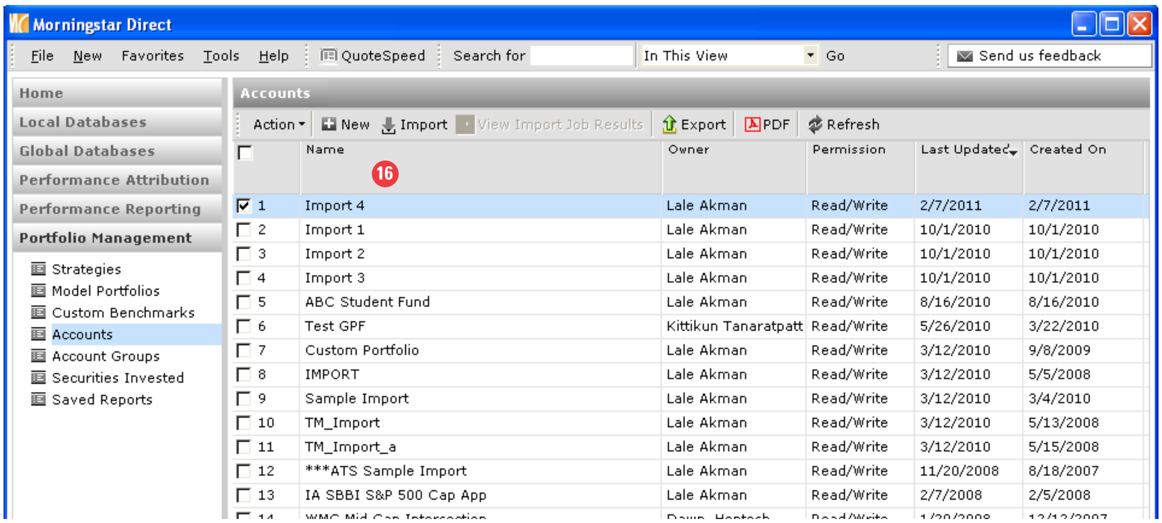
13. If you are ready to view your portfolio in Morningstar Direct, click Post and you will be asked if you would like to save your Custom Investment.

14. Click Yes.

15. You will be taken back to the first import window where you can import more data. *Close* this view.



16. Your imported holdings will be maintained in the Accounts folder.

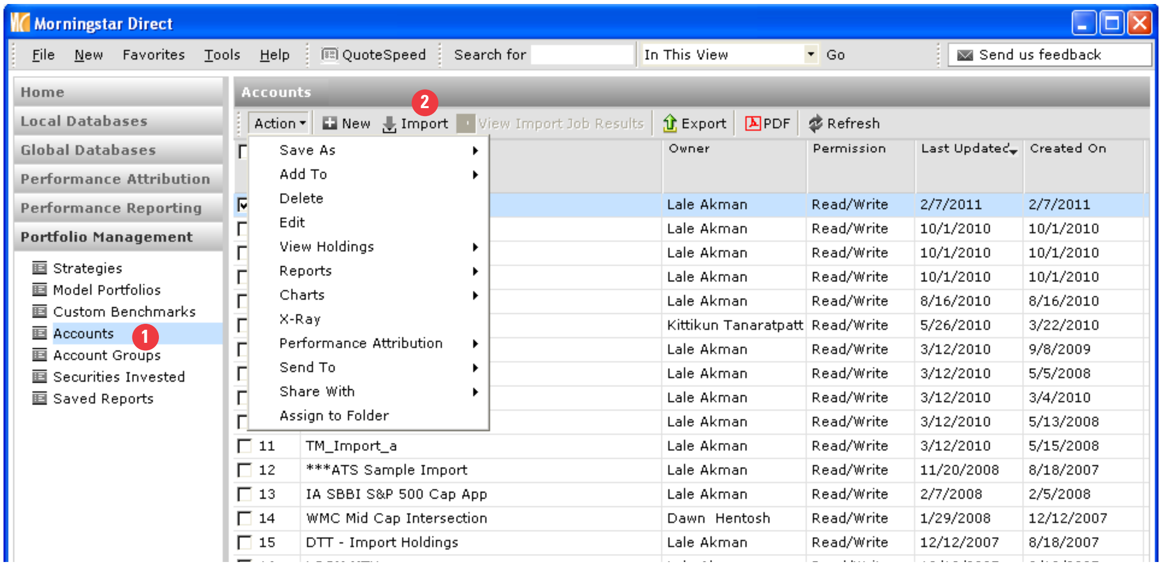


Import Portfolio Returns (Import Account Level Performance)

When importing returns for Model Portfolios, Custom Benchmarks, and Accounts, you can either link them to your imported holdings or keep them separate. In order to link the imported holdings to the imported return series, the portfolio id has to be the same in both files - importing holdings is not a requirement for accounts and vice-versa. The Import Return file must contain the following columns: date (in text format), portfolio id, portfolio name, performance. Imported returns may be daily, monthly or quarterly returns.

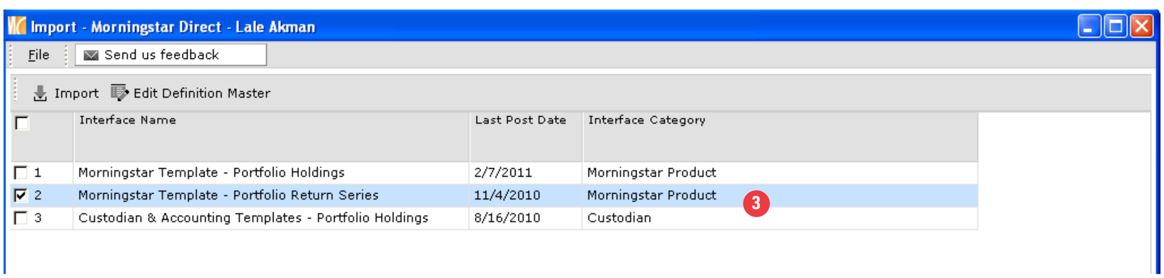
In this section, we will learn how to import return data using Morningstar Templates. We will continue to use Accounts as our example but the same workflow logic would apply to model portfolios and custom benchmarks - the difference is that the import workflow would take place in the Model Portfolio folder or the Custom Benchmarks folder.

1. Go to the Portfolio Management folder and click on the *Accounts* folder.

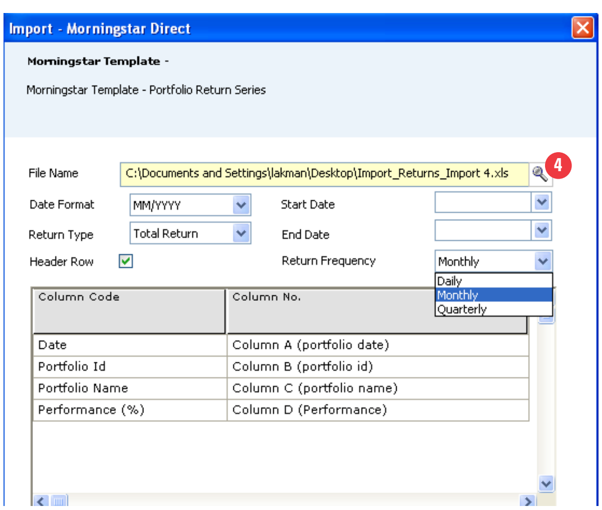


2. Click *Import* and you will be taken to the first Import dialog box.

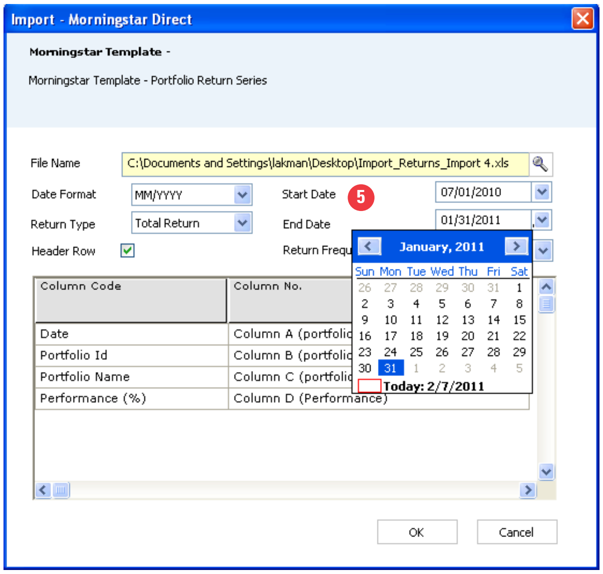
3. *Double-click on Morningstar Template – Return Series* and you will be taken to the second import window.



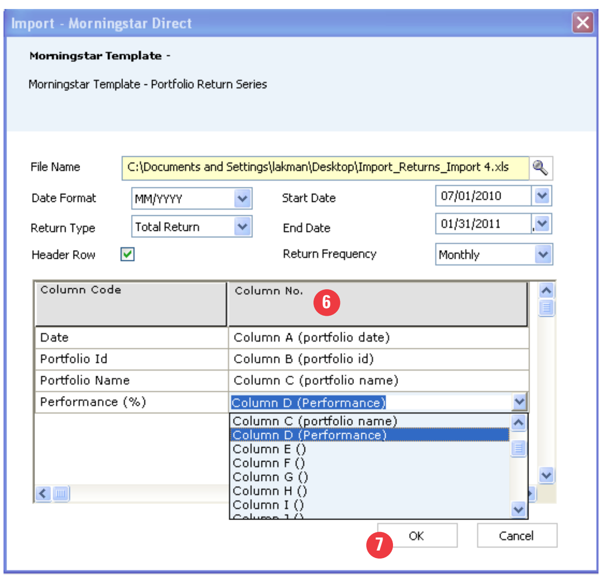
4. *Browse* for the file name and if necessary, select the appropriate Date Format, Return Type, and Return Frequency.



5. Go to the *Start* and *End Date* to set your dates.

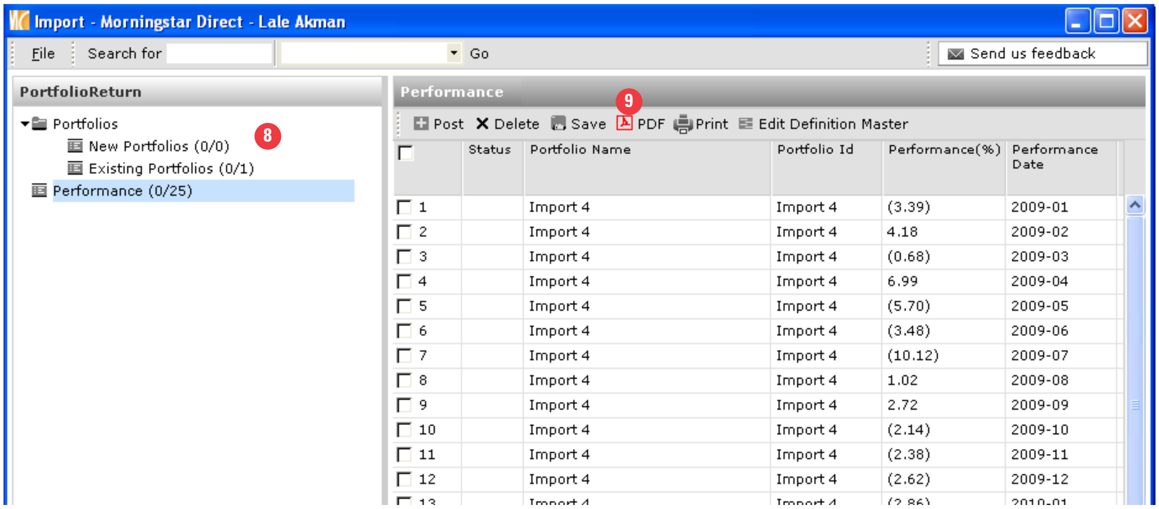


6. Go to the *Column No.* column to make sure your columns in our spreadsheet are in alignment with the column code.



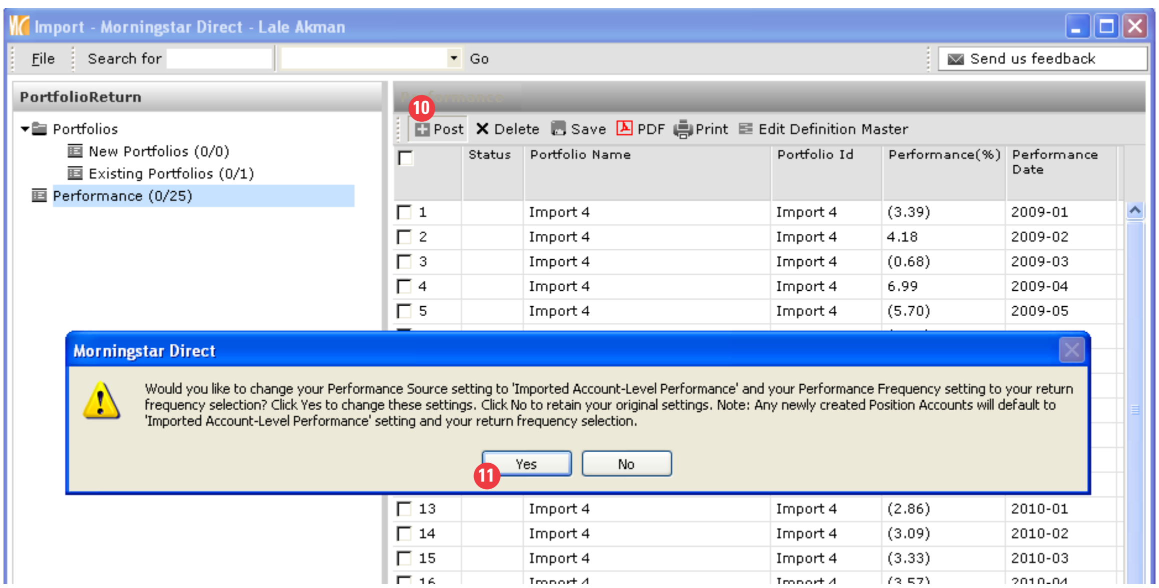
7. Click *OK* and you will be taken to the Portfolio Returns view.

8. When you import a series for the first time, it will fall in the New Portfolios folder. When you update the imported data thereafter, you will see that your new portfolio will then be placed in the *Existing Portfolio* folder. In this example, we used an existing portfolio and updated the numbers. Therefore, it is not a new series but an updated return series.



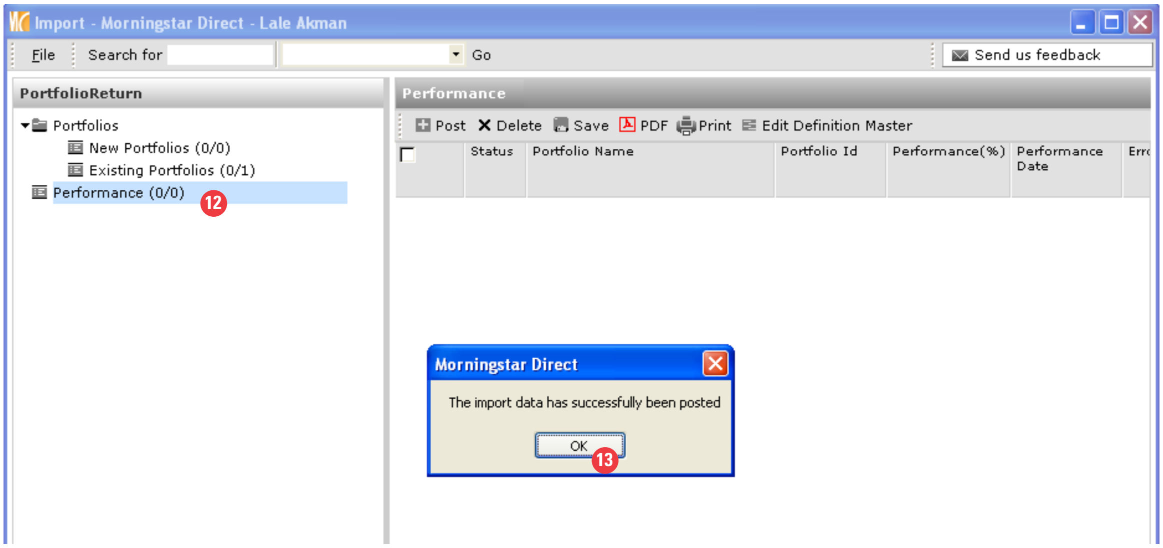
9. Click *Save*.

10. Click *Post* to post your returns to Morningstar Direct.



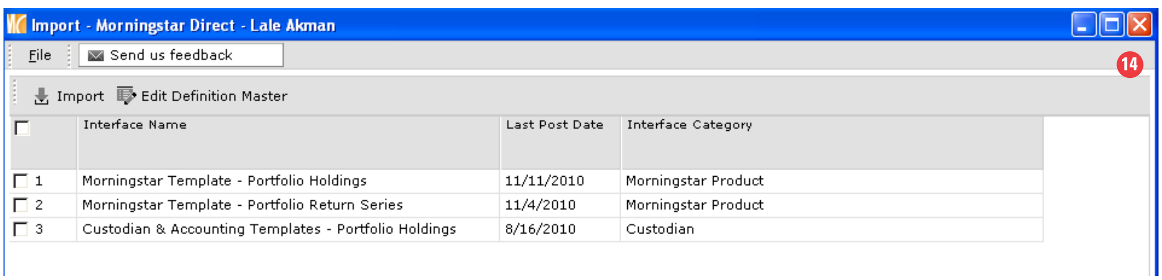
11. Click *Yes*.

12. You will now see that your imported prices have been loaded indicated by Performance where it went from 0/25 (25 months of imported data) to *0/0*.

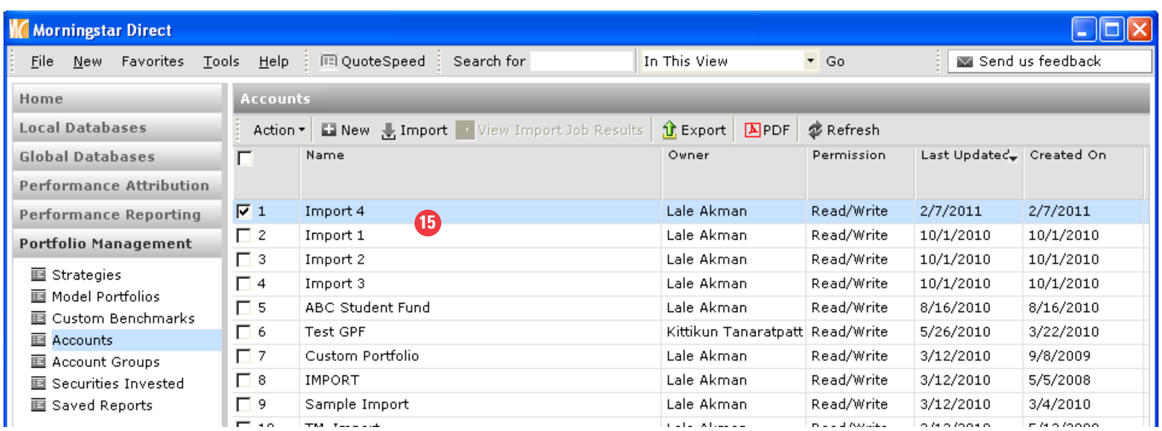


13. Click *OK*.

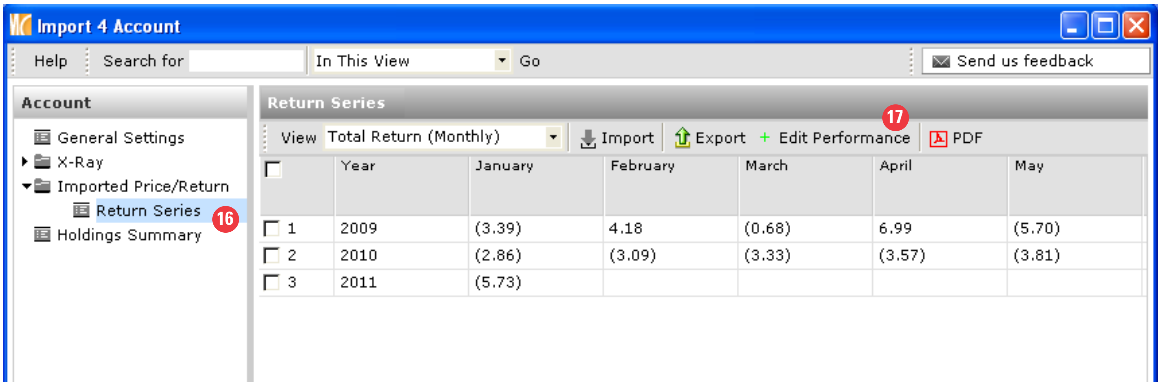
14. You will be taken back to the first import window where you can import more data. *Close* this view.



15. To view your returns, go to the Accounts folder and click on your file.

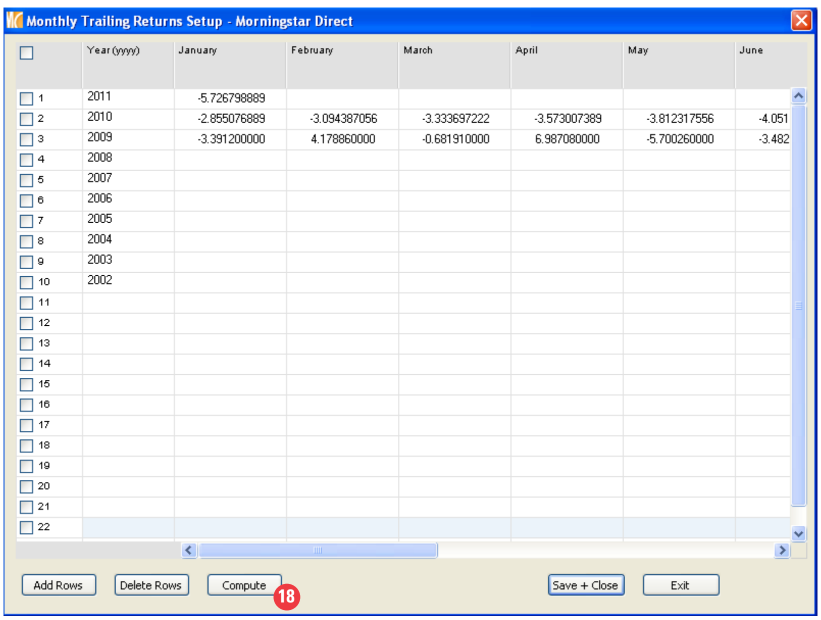


16. Go to Imported Price/Return folder and click on *Return Series*. Here, you will see your imported returns to your imported holdings file.

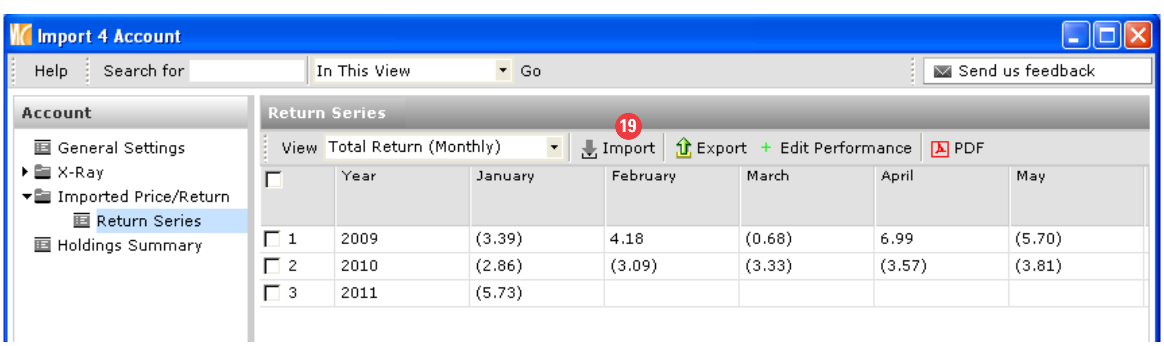


17. Click on *edit performance* to update your returns or edit existing performance.

18. Once you've updated your date, click on *Compute* to compute the new updated or edited returns.



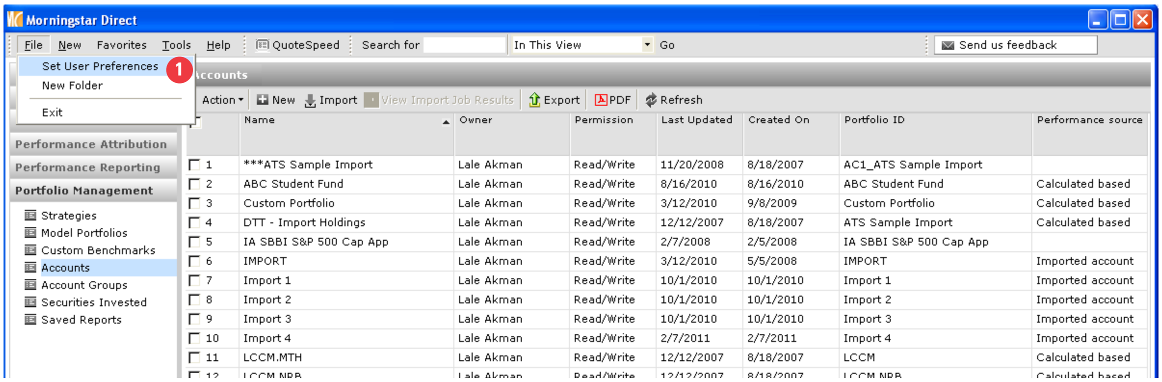
19. You can also *Import* your returns in this view.



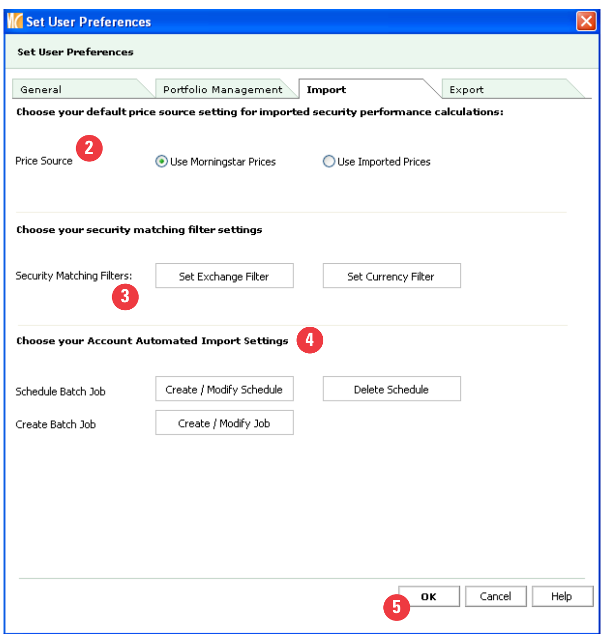
Import an Account with Custodian Template

When using Custodian Template, it is not necessary to follow the required format used in the Morningstar Template. Instead, Morningstar can create a Custodian Template specific to your custodian or accounting system format. Once complete, your imports can be automated by scheduling imports to retrieve your client data from Morningstar FTP site or a 3rd party FTP site.

1. Once Morningstar has produced a custodian template, go to *Set User Preference*.



2. Go to the *Import* tab to select the Default Price Source for imported security performance calculations.

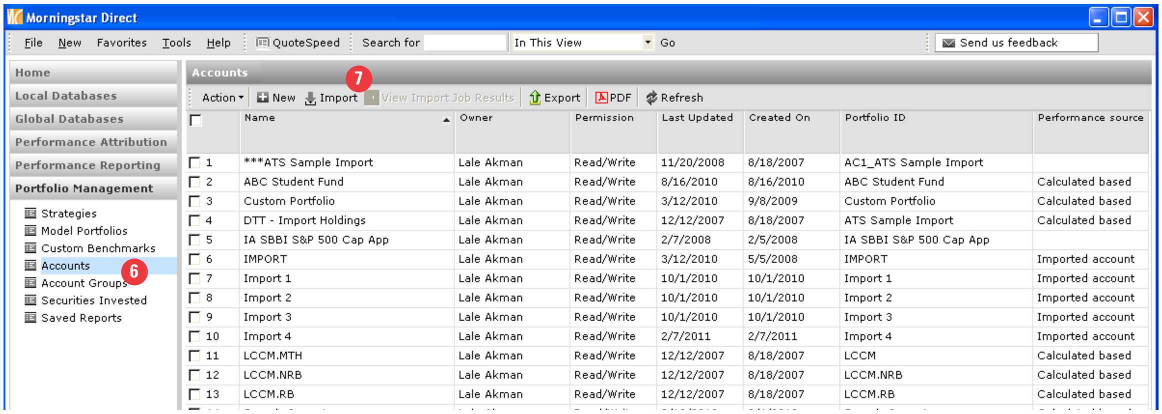


3. Set your *Security Matching Filters*. Morningstar will attempt to map your imported securities to Morningstar-tracked securities but you can also configure the security and currency matching process. The logic is to first map the securities to the Exchange Filter and then use the Currency Filter. For example, select the order of the exchanges your securities are trading on. Apply the same rule with the currency filter.

4. Set your *Account Automated Import Settings*. See User Preferences for more detail.

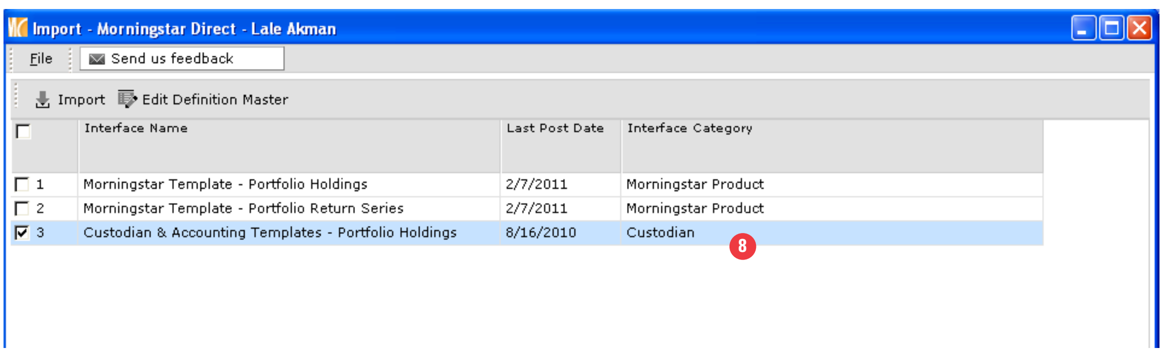
5. Click *OK* and we are ready to proceed with the import process.

6. Go to the Portfolio Management folder and click *Accounts*.



7. Click *Import* and you will be taken to the first Import window.

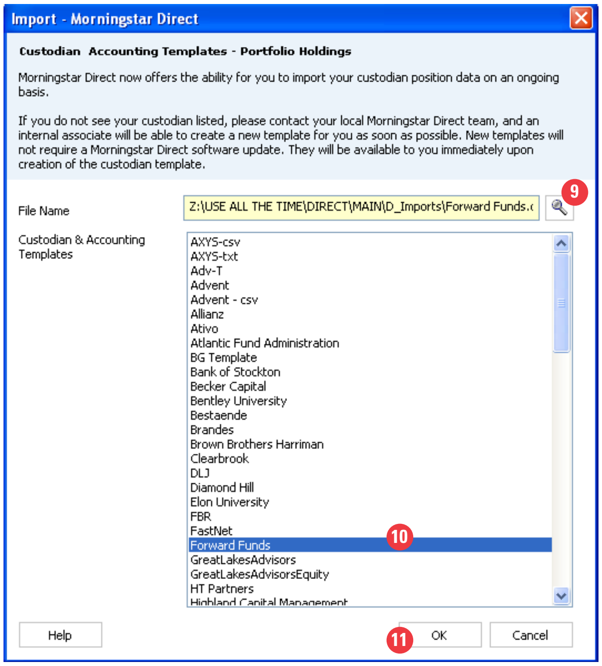
8. Double click on *Custodian & Accounting Template - Portfolio Holdings*.



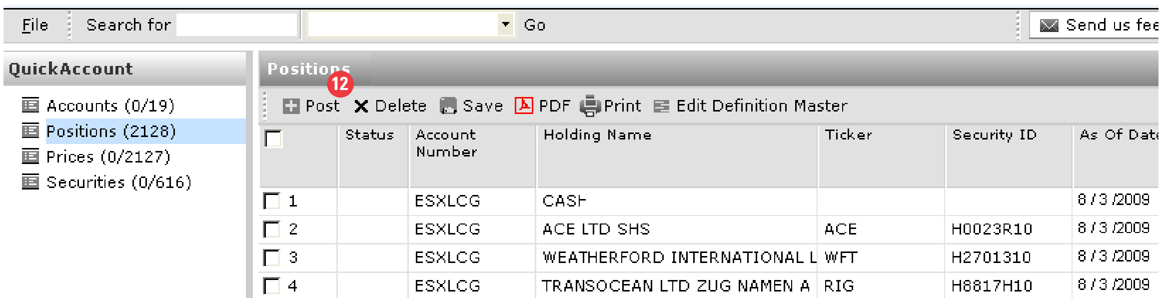
9. *Browse* for the file name. This file needs to be in text format.

10. Next, locate the *custodian file*.

11. Click *OK* to import your data.



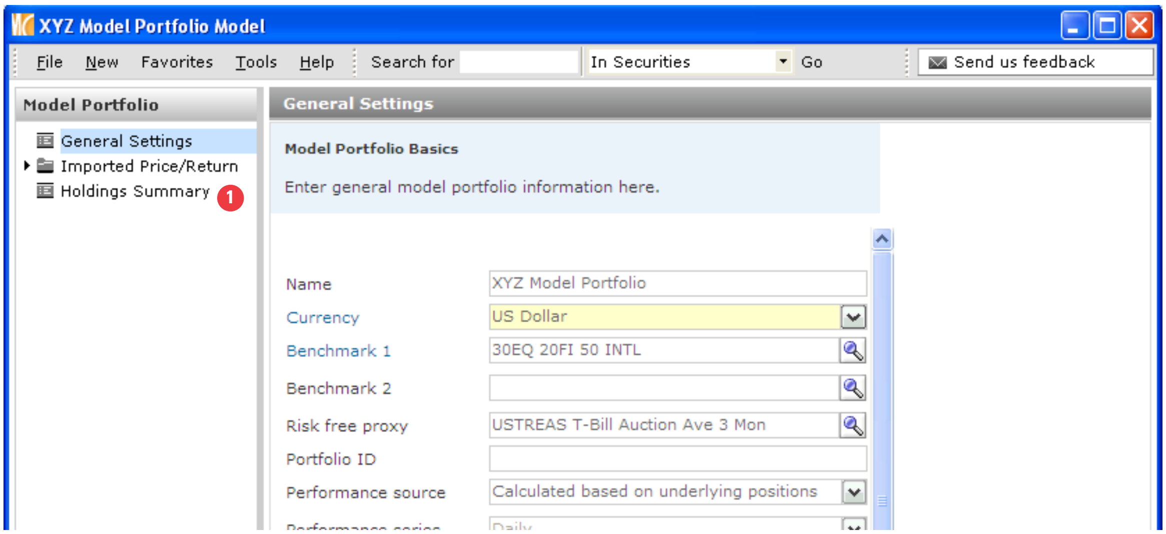
12. You can save your imported data to make any modifications or you can post your imported data to Direct. Click *Post* and your imported holdings will now be maintained in the Position Accounts folder for you to access for further analysis.



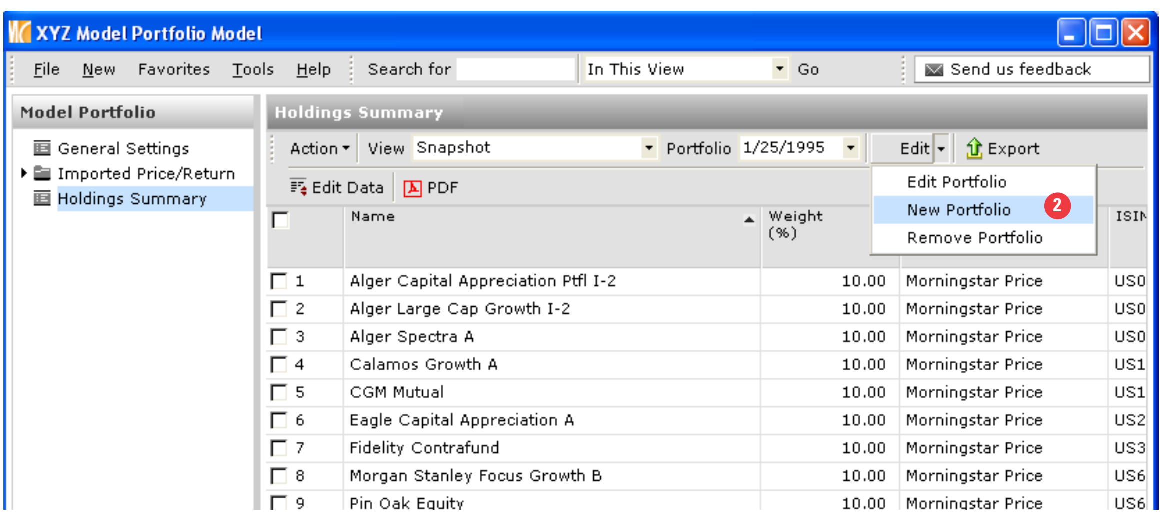
Edit your Model Portfolio, Custom Benchmark, or Account

In this exercise, we will use the Model Portfolio as our example to add a new portfolio. The same workflow logic would apply to Custom Benchmarks and Accounts but the difference is that the workflow would take place in the Custom Benchmark or Accounts folders.

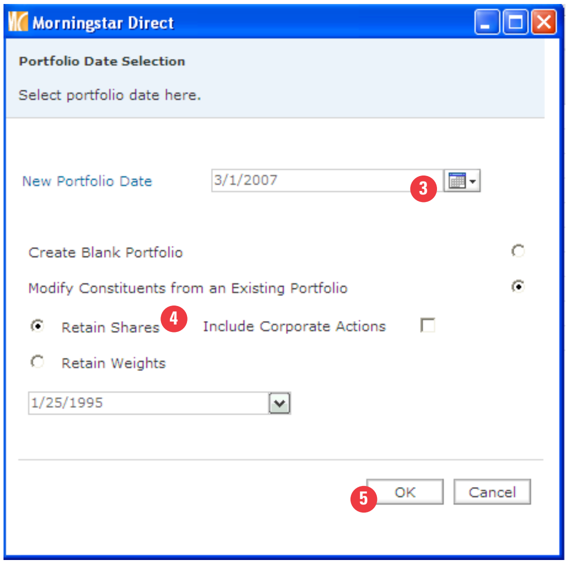
1. Once you've created the initial Model Portfolio, you will automatically be taken to the Model Portfolio window where you can view your general settings, import price/return series, and add new portfolios. Let's begin and add a new portfolio. Click *Holdings Summary*.



2. In the Holdings Summary view, you will see one portfolio date listed based on our settings (Common Date). Go to Edit and click *New Portfolio* to add additional portfolios. Note that you can also edit or remove an existing portfolio.



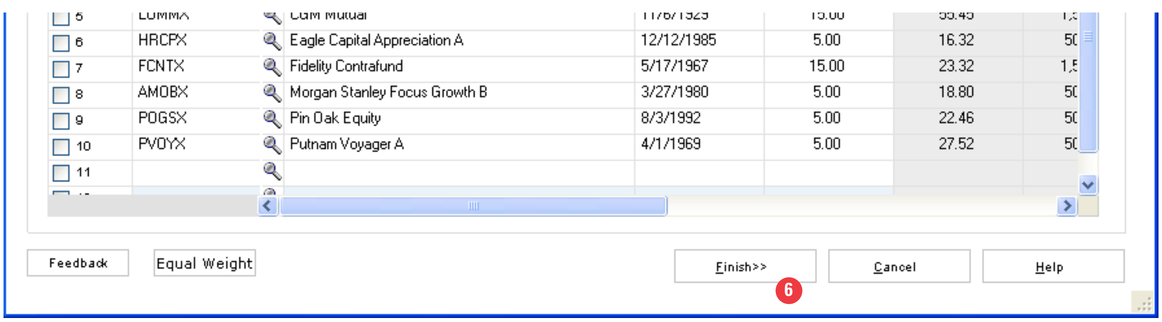
3. Input the *New Portfolio Date* of your new allocation.



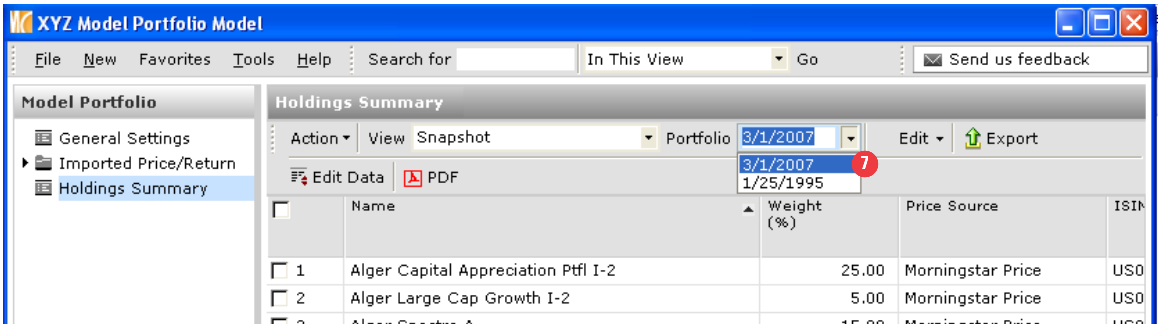
4. Note that you can modify the constituents from an existing portfolio by retaining the shares or by retaining the weights. If you have more than one allocation for your portfolio, then you will see additional date choices in the bottom date drop-down when modifying constituents from an Existing Portfolio. Click on *Retain Shares*.

5. Click *OK* and you will be taken to the Holdings Entry view.

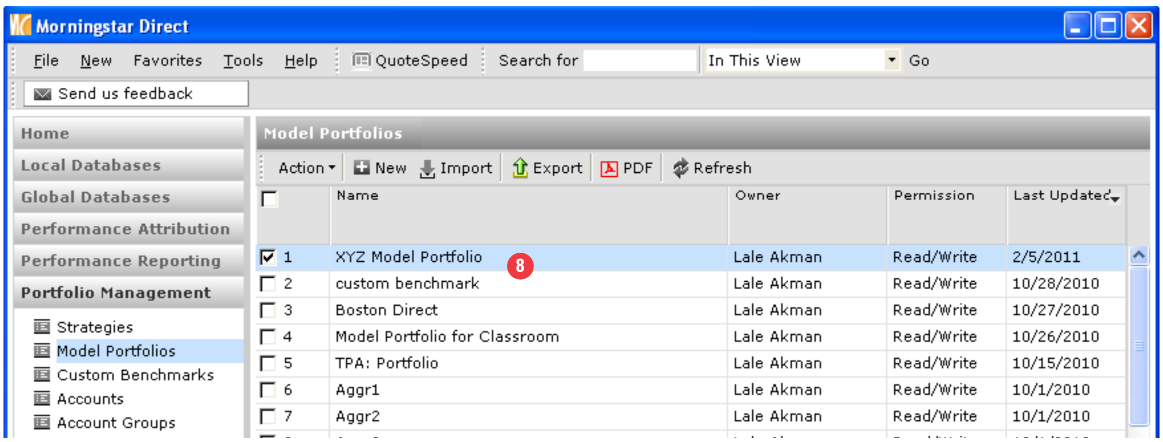
6. Proceed to change the weights in your allocation to reflect the new portfolio date. You can also add additional investments to your portfolio by clicking on the magnifying glass. Once you've completed your new allocation, click *Finish*.



7. In your Model Portfolio view, you will now see *two dates* in the Portfolio drop-down.



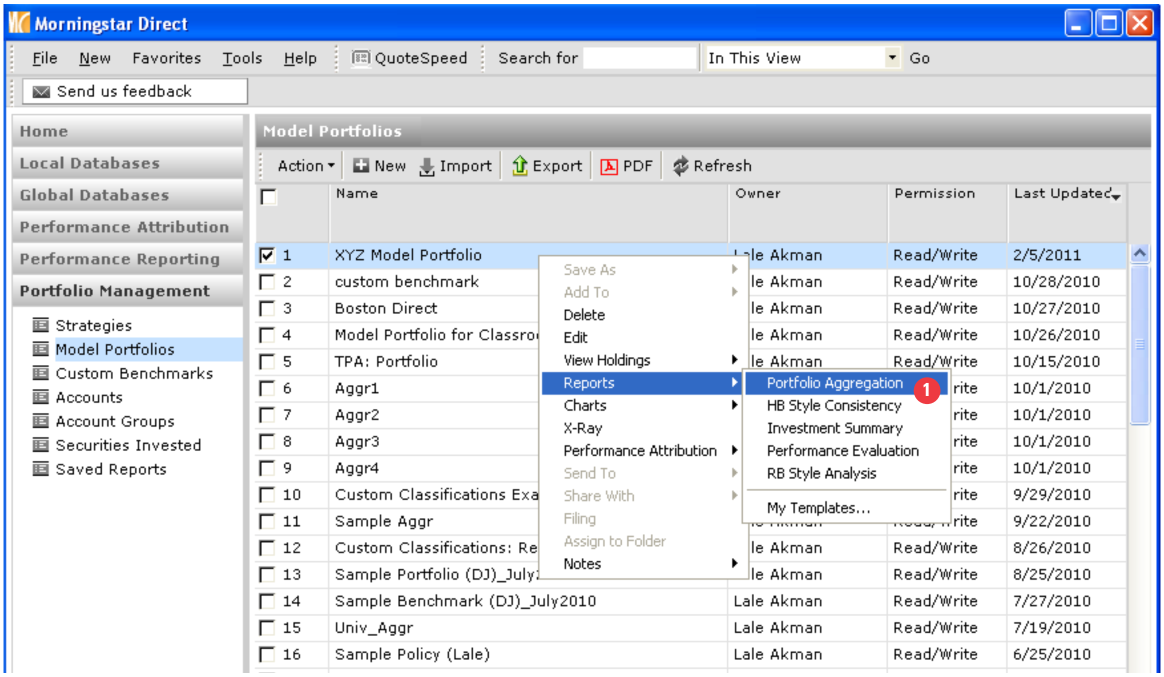
8. Close your view and you will be taken back to the Model Portfolio grid view. Once the additions have been completed, portfolios are automatically saved and updated over time.



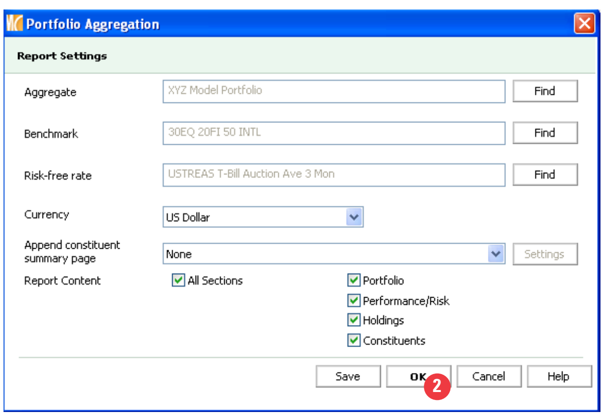
Produce a Portfolio Aggregation Report for a Model Portfolio, Custom Benchmark, or an Account

Once you've created your Model Portfolio, Custom Benchmark, or Account, you can produce a quick Portfolio Aggregation report to analyze your results. In this chapter, we use the Model Portfolio to demonstrate how to create this report. The same workflow logic would apply to custom benchmarks and accounts but the difference is that the workflow would take place in the Custom Benchmark or Accounts folders.

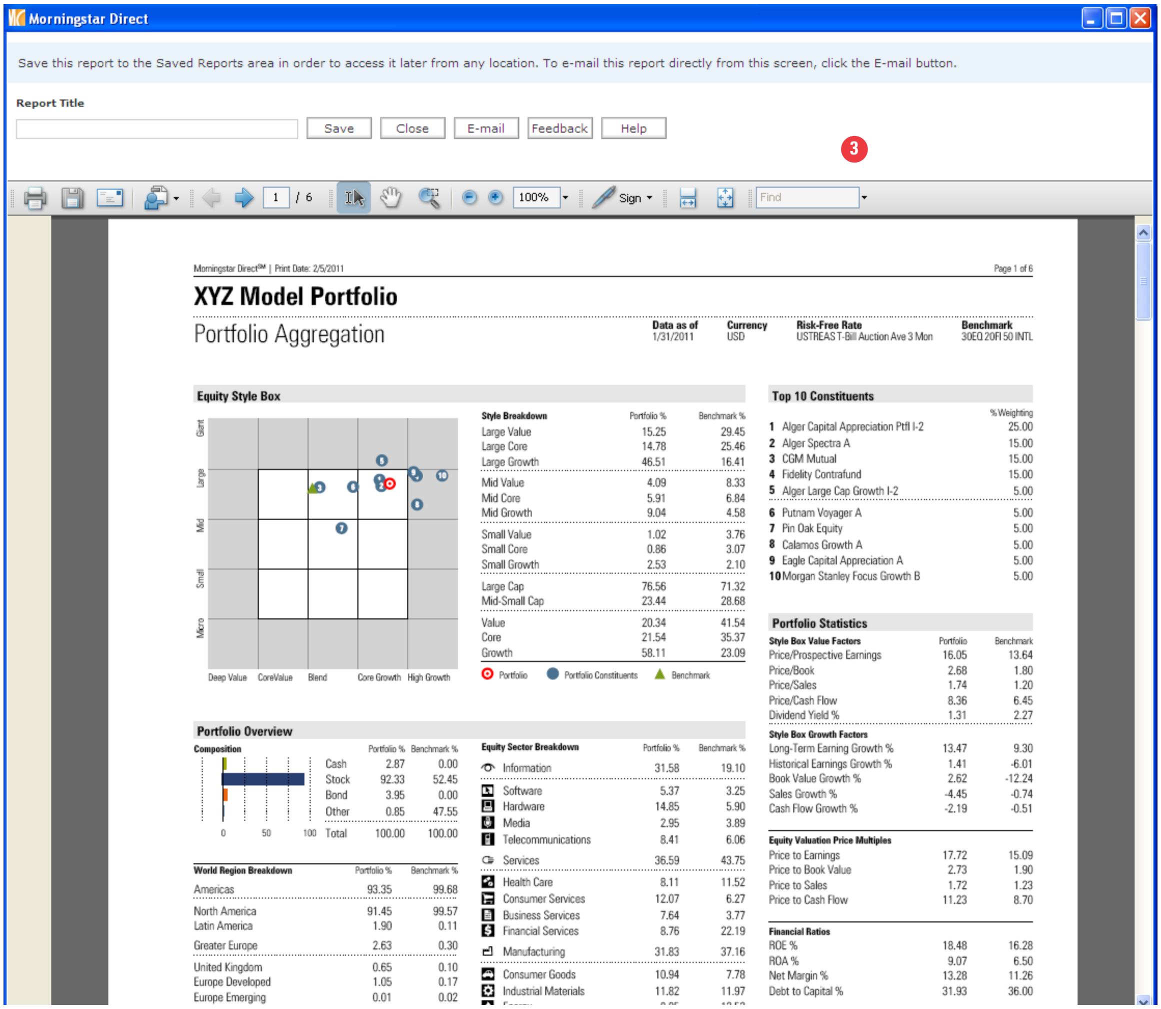
1. Go to your model portfolio and do a right click to activate report options. Click on *Portfolio Aggregation.*



2. You will be taken to the Report Settings window to set your settings. Once complete, click *OK*.



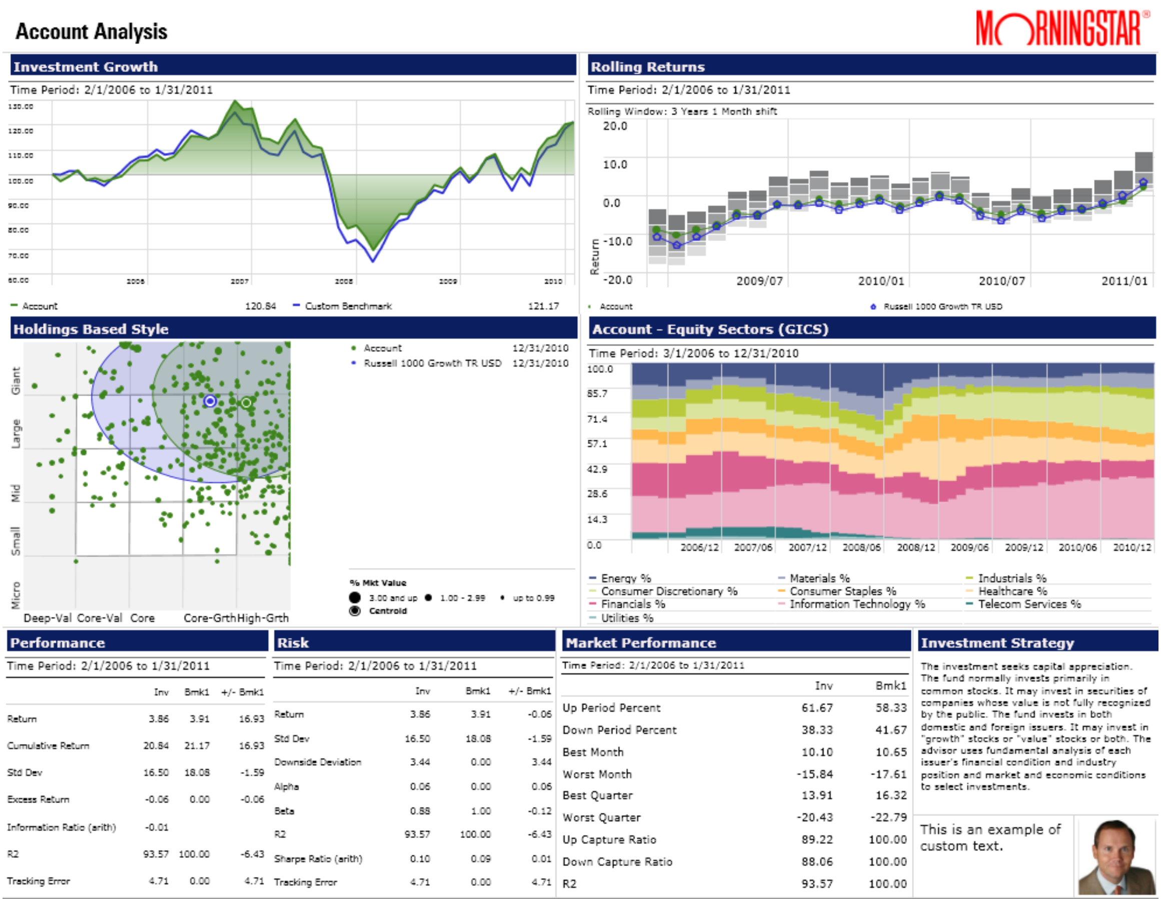
3. You've successfully created a *Portfolio Aggregation* report. You can save this report and it will be saved in your Saved Reports folder or email it to a colleague.



Apply Model Portfolio, Custom Benchmark, and Account to Product Areas of Direct

Once you've created Model Portfolio, Custom Benchmark, or Account, you can then apply these object types to the product areas of Direct – Equity Attribution, Total Portfolio Attribution, Performance Reporting, and Presentation Studio. For detail on the product areas, please refer to their individual chapters. Below are output examples:

Presentation Studio:



Performance

Time Period: 2/1/2006 to 1/31/2011

	Inv	Bmk1	+/- Bmk1
Return	3.86	3.91	16.93
Cumulative Return	20.84	21.17	16.93
Std Dev	16.50	18.08	-1.59
Excess Return	-0.06	0.00	-0.06
Information Ratio (arith)	-0.01		
R2	93.57	100.00	-6.43
Tracking Error	4.71	0.00	4.71

Risk

Time Period: 2/1/2006 to 1/31/2011

	Inv	Bmk1	+/- Bmk1
Return	3.86	3.91	-0.06
Std Dev	16.50	18.08	-1.59
Downside Deviation	3.44	0.00	3.44
Alpha	0.06	0.00	0.06
Beta	0.88	1.00	-0.12
R2	93.57	100.00	-6.43
Sharpe Ratio (arith)	0.10	0.09	0.01
Tracking Error	4.71	0.00	4.71

Market Performance

Time Period: 2/1/2006 to 1/31/2011

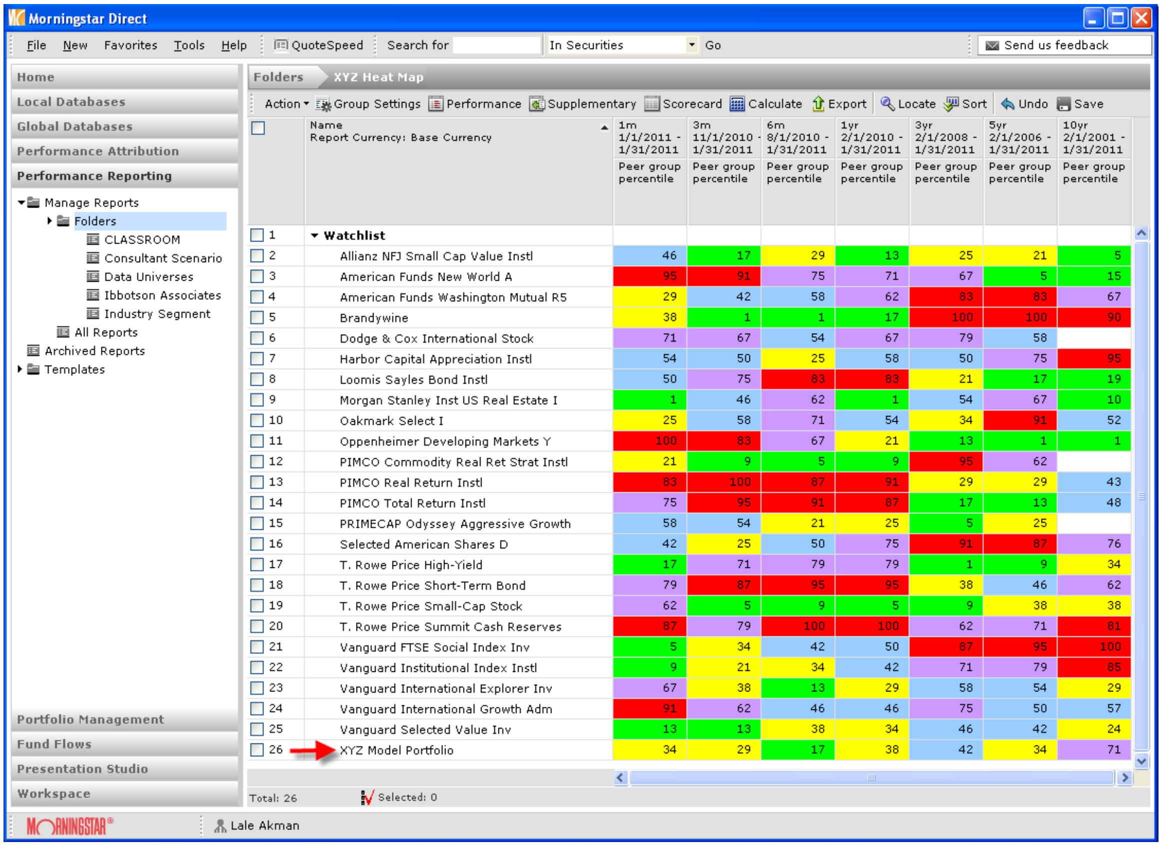
	Inv	Bmk1
Up Period Percent	61.67	58.33
Down Period Percent	38.33	41.67
Best Month	10.10	10.65
Worst Month	-15.84	-17.61
Best Quarter	13.91	16.32
Worst Quarter	-20.43	-22.79
Up Capture Ratio	89.22	100.00
Down Capture Ratio	88.06	100.00
R2	93.57	100.00

Investment Strategy

The investment seeks capital appreciation. The fund normally invests primarily in common stocks. It may invest in securities of companies whose value is not fully recognized by the public. The fund invests in both domestic and foreign issuers. It may invest in "growth" stocks or "value" stocks or both. The advisor uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

This is an example of custom text.

Performance Reporting:



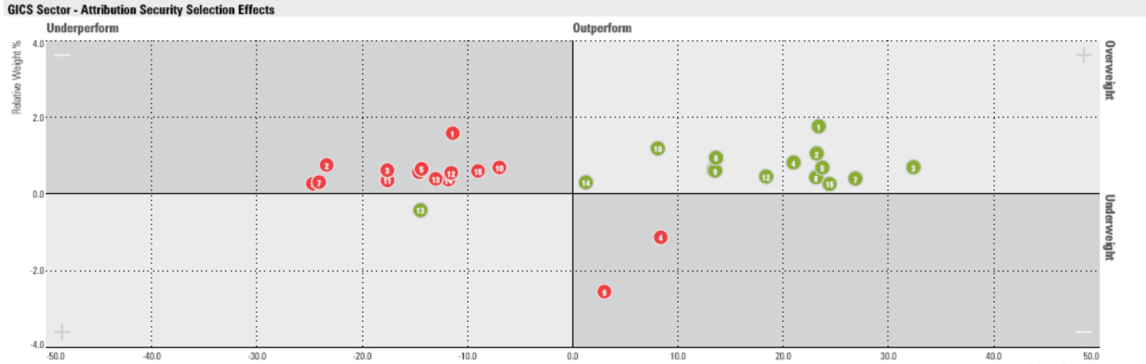
Equity Attribution:

Model Portfolio

Portfolio	Benchmark	Currency
XYZ Model Portfolio	30EQ 20FI 50 INTL	US Dollar

Attribution Security Selection Effects 10/1/2010 to 12/31/2010

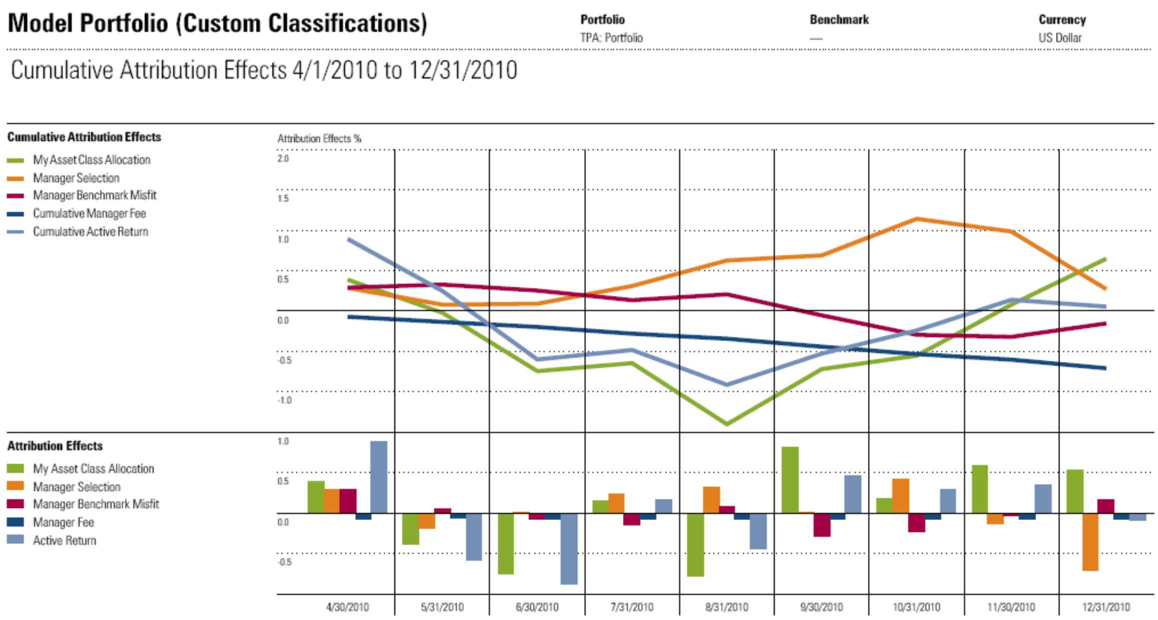
GICS Sector - Attribution Security Selection Effects



	Best Selections	GICS Sector	Weight +/-	Return +/-	Effect
1	Ford Motor Company	Consumer Discretionary	1.76	23.37	0.38
2	Freeport-McMoRan Copper & Gold B	Materials	1.05	23.18	0.22
3	Teck Resources Ltd Subordinate Voting Sha	Materials	0.70	32.37	0.21
4	Southern Copper Corporation	Materials	0.82	20.98	0.16
5	BorgWarner, Inc.	Consumer Discretionary	0.69	23.71	0.15
6	Magna International A	Consumer Discretionary	0.94	13.62	0.12
7	Skyworks Solutions, Inc.	Information Technology	0.40	26.85	0.11
8	Hertz Global Holdings, Inc.	Industrials	0.43	23.12	0.09

	Worst Selections	GICS Sector	Weight +/-	Return +/-	Effect
1	Hewlett-Packard Company	Information Technology	1.58	-11.40	-0.19
2	Focus Media Holding, Ltd. ADR	Consumer Discretionary	0.75	-23.38	-0.18
3	GSI Commerce, Inc.	Information Technology	0.62	-17.61	-0.11
4	Comcast Corporation A	Consumer Discretionary	-1.13	8.37	-0.09
5	Southwest Airlines, Co.	Industrials	0.65	-14.36	-0.09
6	Berkshire Hathaway Inc. A	Financials	0.57	-14.61	-0.09
7	Human Genome Sciences	Health Care	0.31	-24.09	-0.09
8	Expedia, Inc.	Consumer Discretionary	0.27	-24.68	-0.08

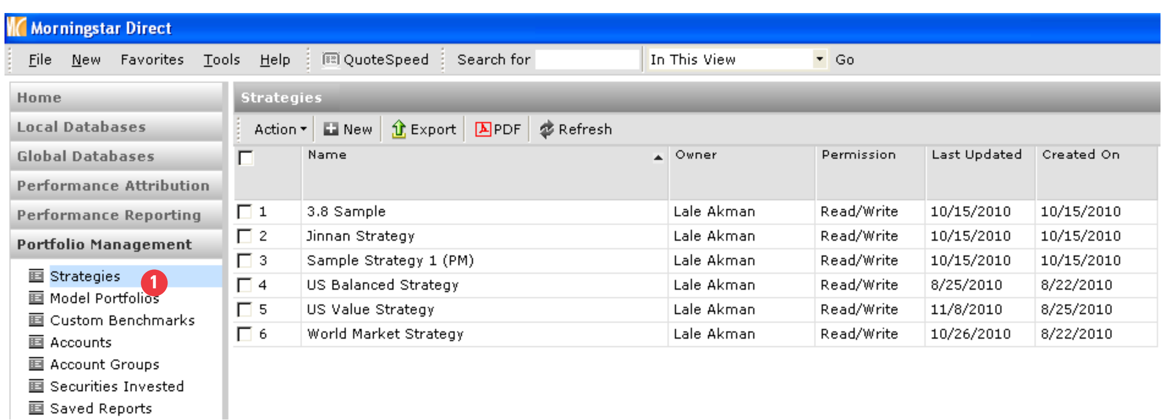
Total Portfolio Attribution:



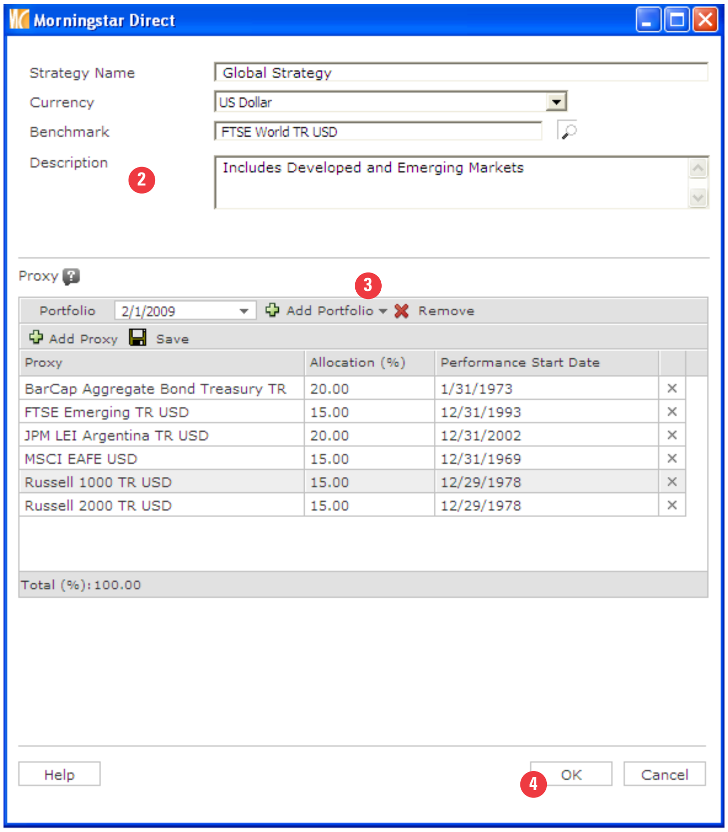
Utilize Additional Portfolio Management Features

Once you've created your Model Portfolios, Custom Benchmarks, or Accounts, you can then utilize the other functions in Portfolio Management. This area will continue to grow but in the meantime, you can utilize its features. For example, attach your account to a model portfolio and/or attach your model portfolio to an investment strategy. Organize your object types that are affiliated with the same client or have similar characteristics through the Account Group feature. Create additional analysis through charts, reports, and performance attribution. Let's begin and first create a strategy.

1. Go to Strategies and click on *New*.



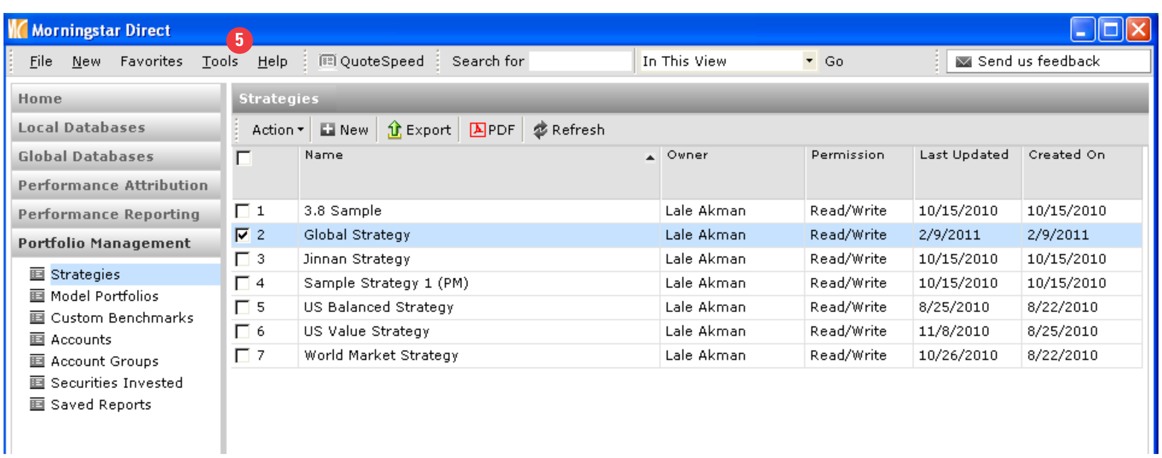
2. You will be taken to a separate window to build your strategy. Fill in the necessary fields such as Strategy Name, Benchmark, Description, Proxy, Allocation.



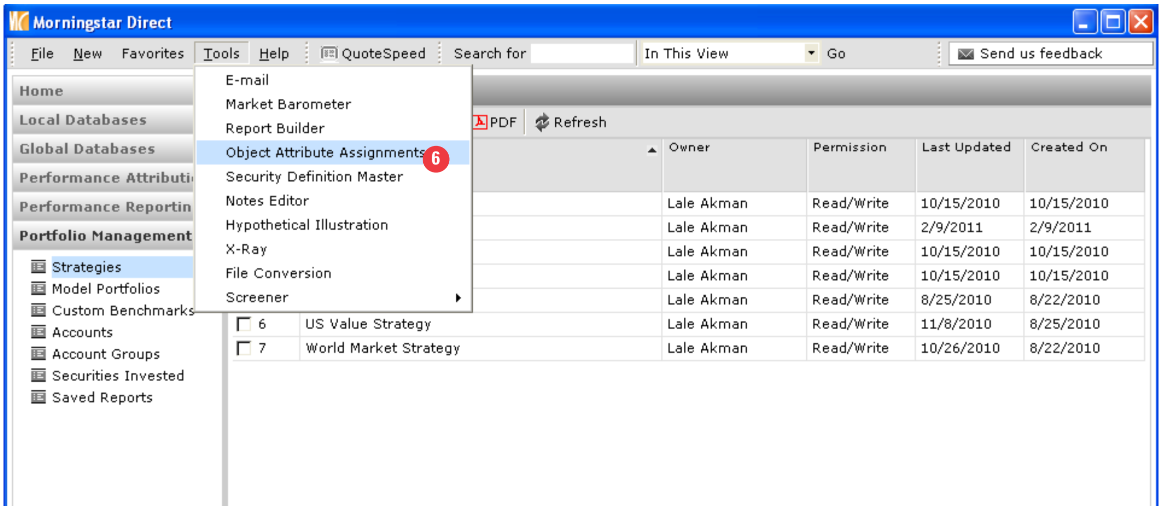
3. Once you've assigned the date of your portfolio, you can continue to add more dates by clicking on *Add Portfolio*.

4. Click *Ok*.

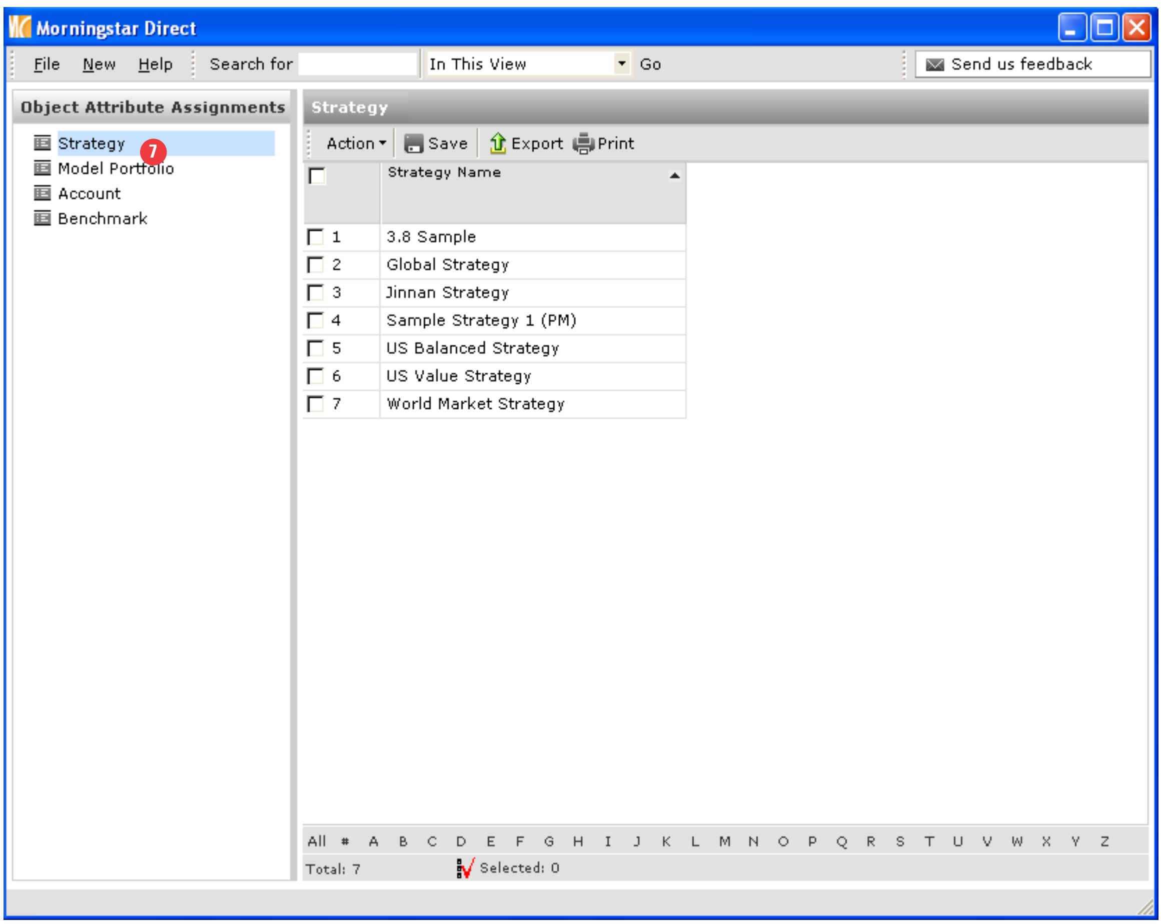
5. You've successfully created a strategy. Now let's attach a model portfolio to your strategy. Click *Tools*.



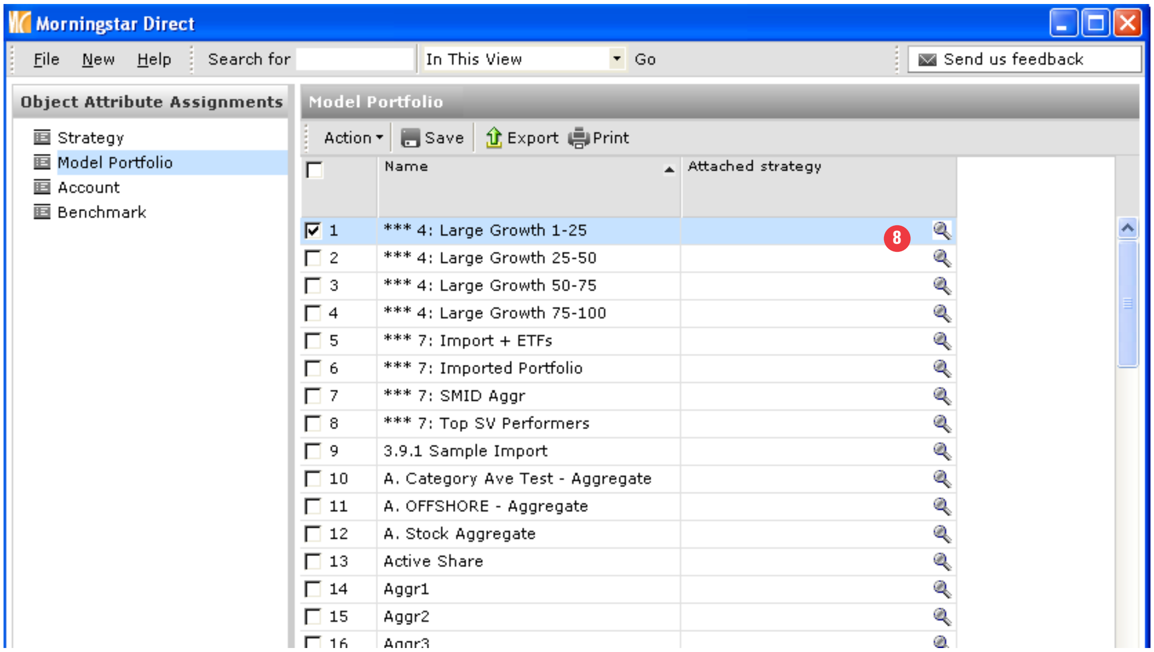
6. You will be taken to the Tools drop-down where you will find many choices, including File conversion should you want to change the object type from one choice to another (i.e. Model Portfolio to Account or visa versa). Go to *Object Attribute Assignments*.



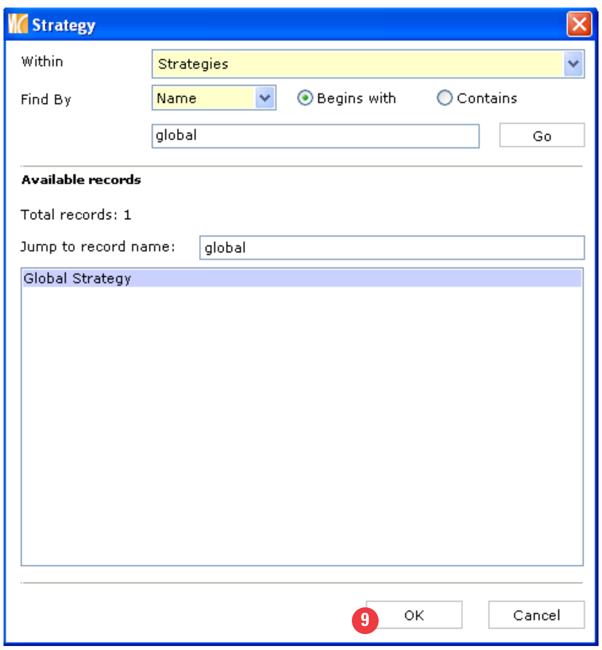
7. On the left pane, Strategy and the Object types are listed. The default view is Strategy. Click on *Model Portfolio*.



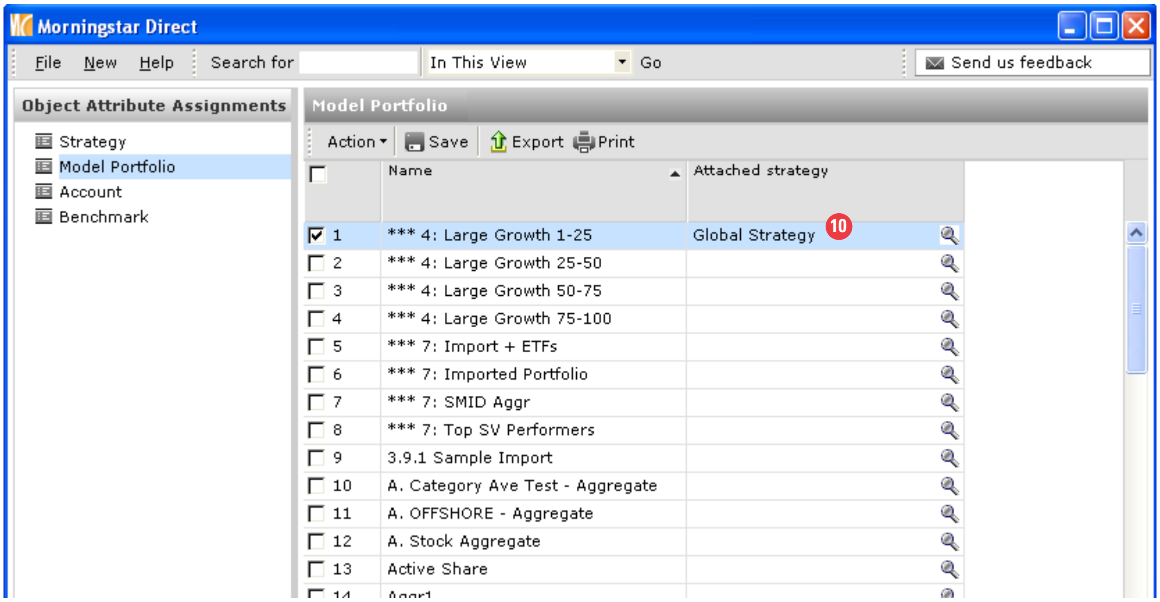
8. As you select a Model Portfolio, scroll to the far right, and click on the *magnifying glass*.



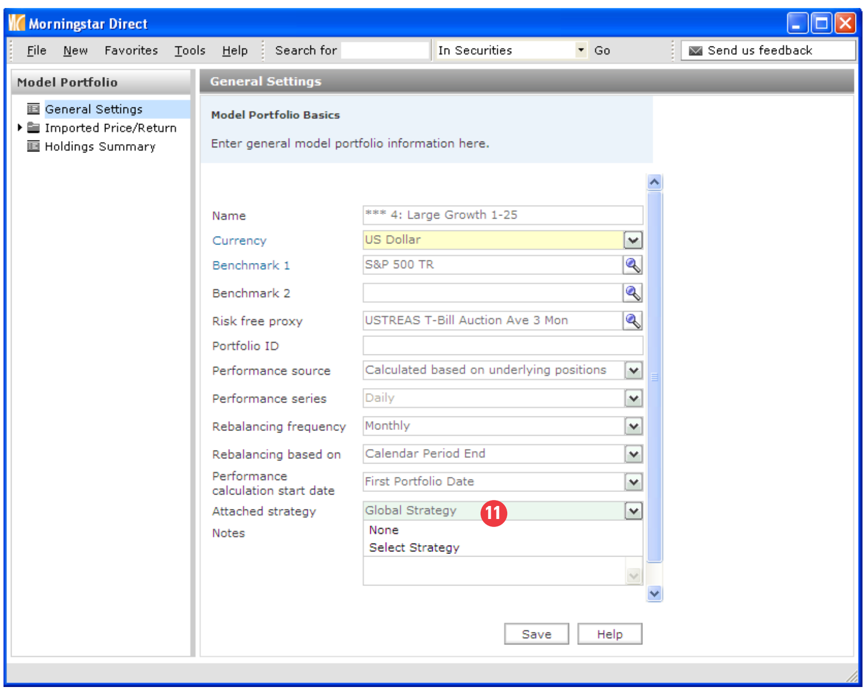
9. You will be taken to the Strategy Window. Select your Strategy and *Click OK*.



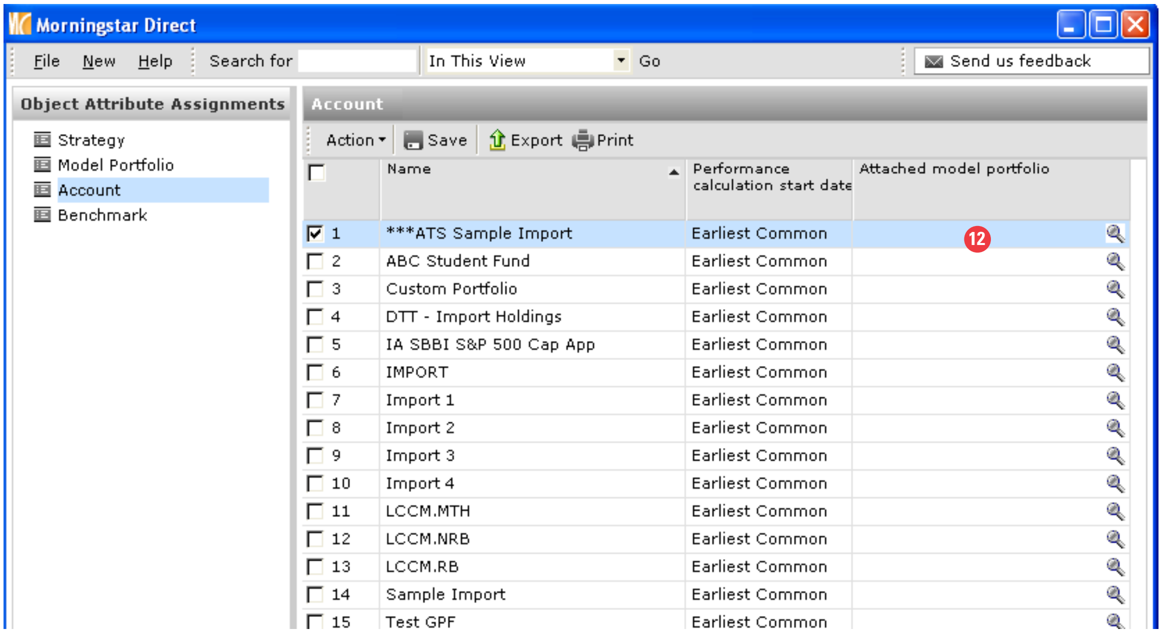
10. You have successfully attached your model portfolio to a strategy.



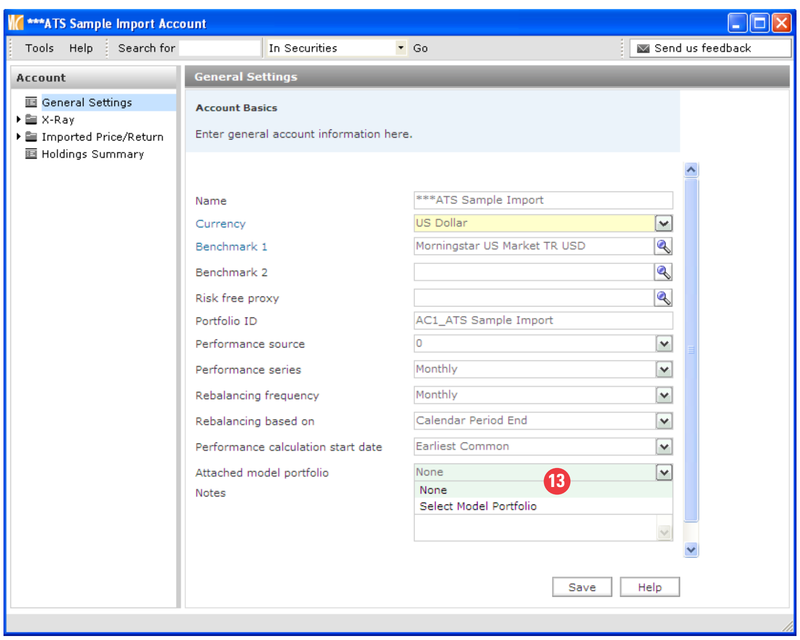
11. As a reminder, you can also attach your model portfolio to your strategy from the General Settings View.



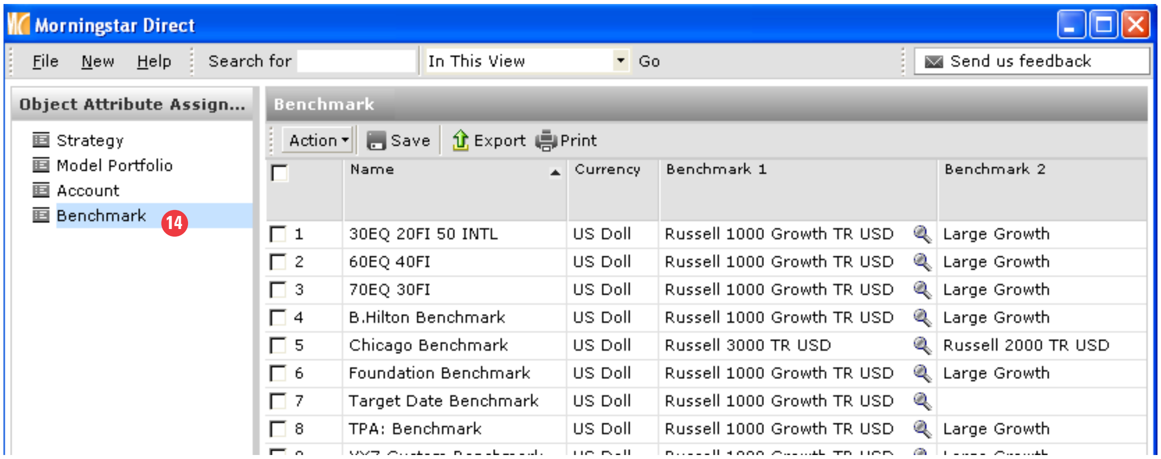
12. Go back to Object Attributes. Click on Accounts and you'll see that you can attach an account to a model portfolio.



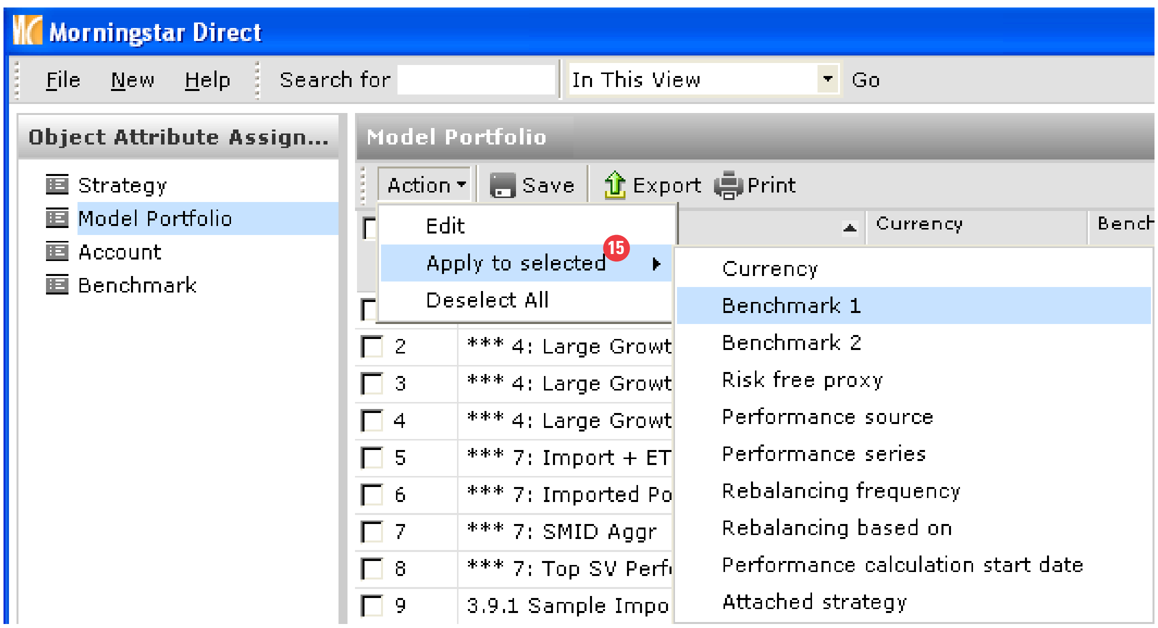
13. As a reminder, you can also attach your account to your model portfolio from the General Settings View.



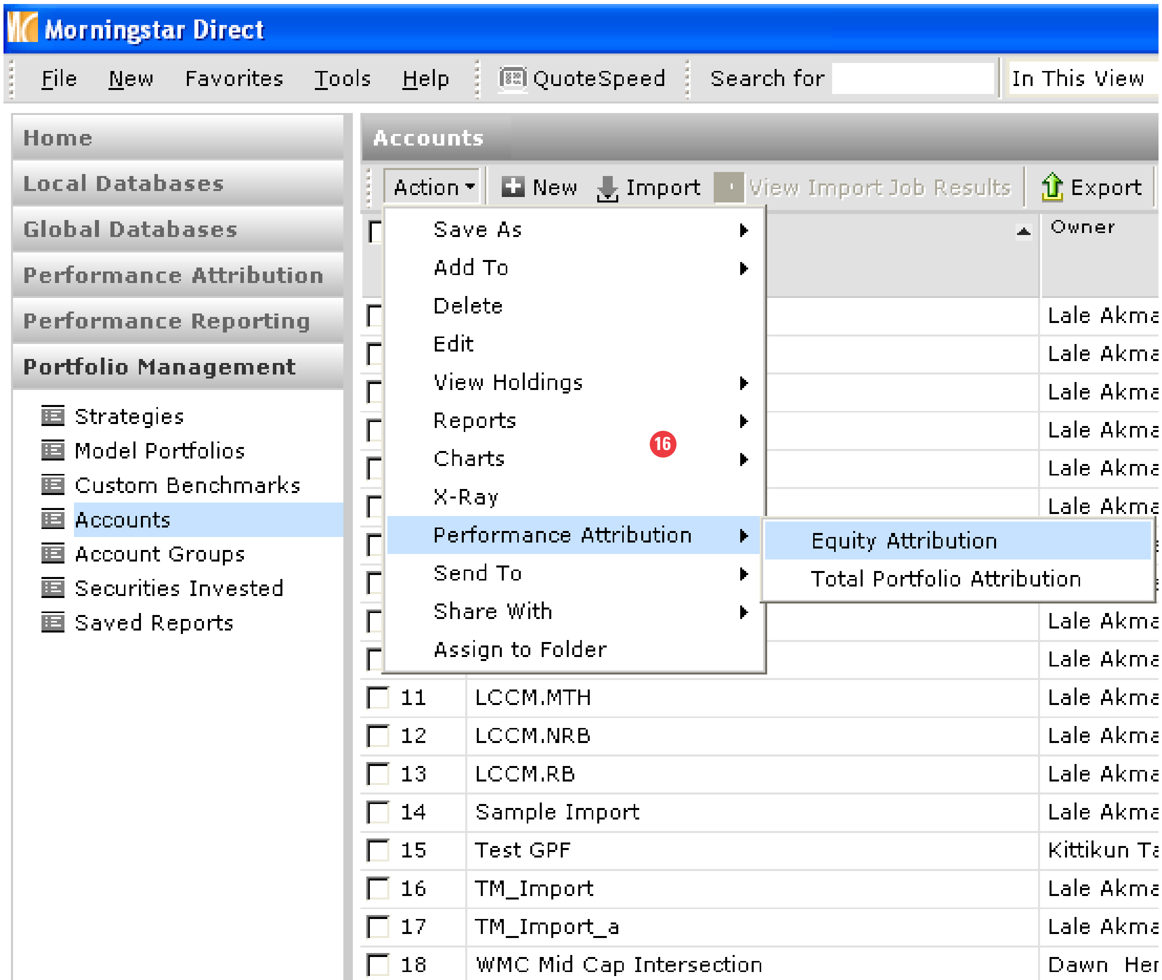
14. Go back to Object Attributes and click on *Benchmark* to make any modifications.



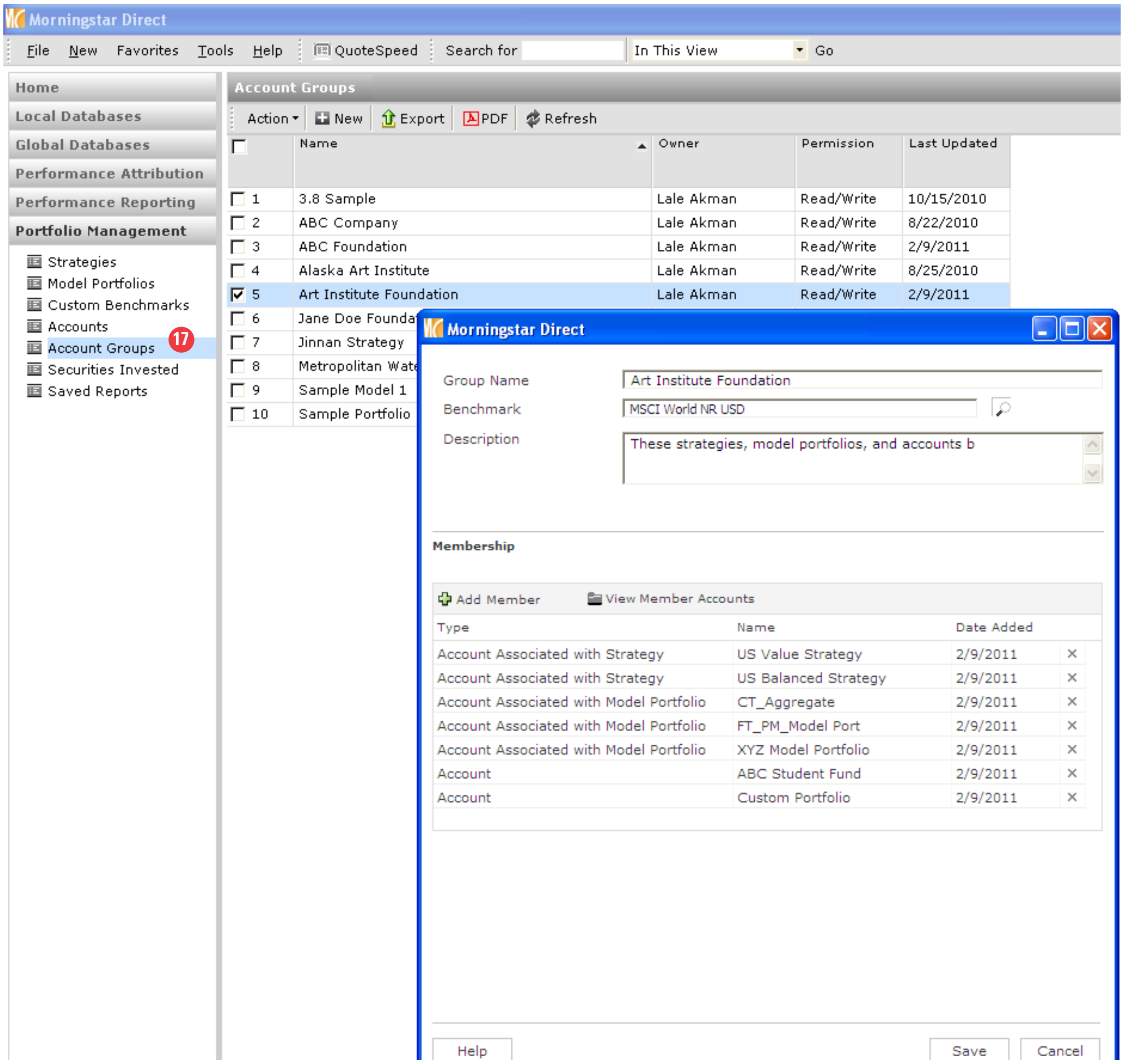
15. Click on *Action* where you can easily edit your object type or make any other modifications. These options under Action are also available in the Account and Model Portfolio view.



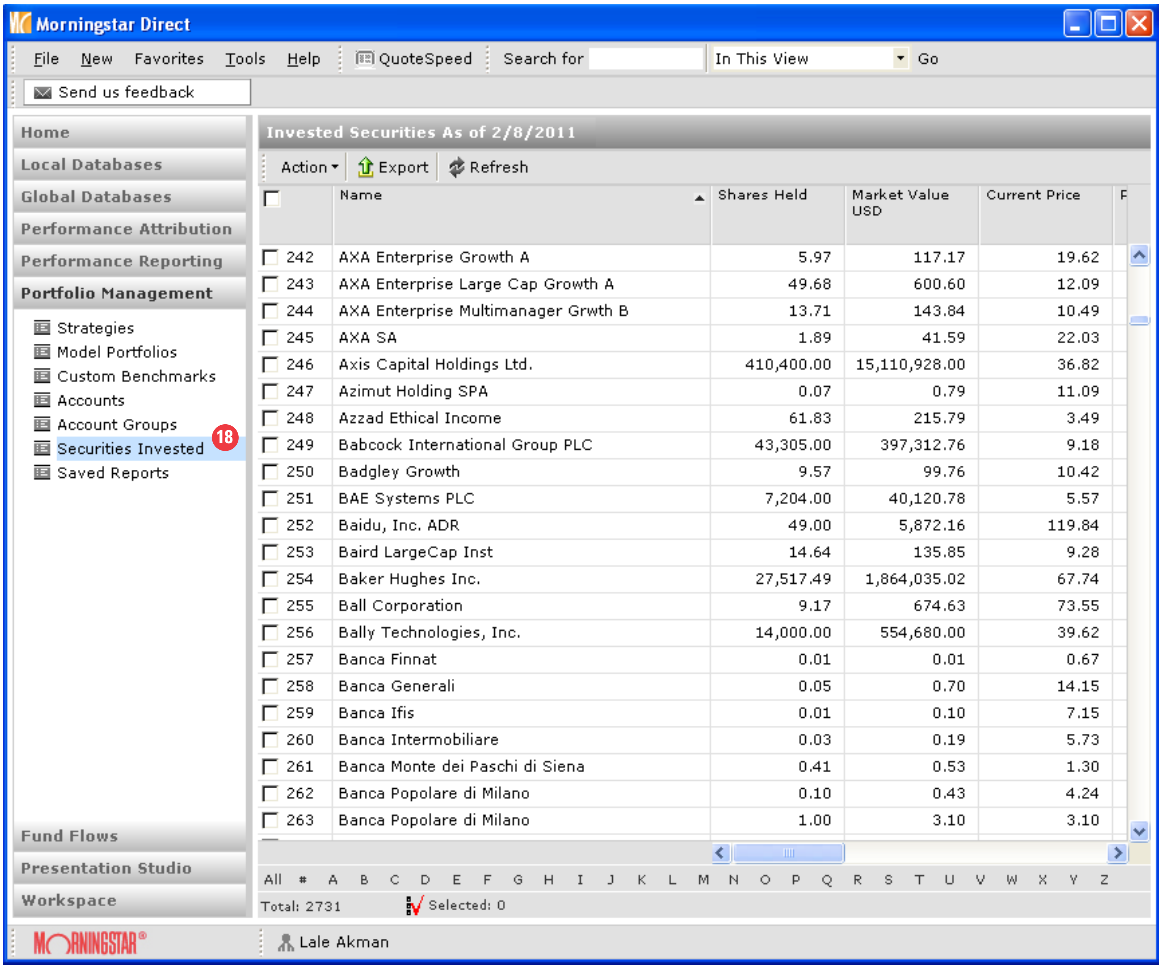
16. Once you applied the necessary Object attributes, you can further analyze your data through the *Action* command in the main view. For example, select from the various choices such as X-Ray, Reports, Charts, Holdings, and Performance Attribution. You can also send or share your information with colleagues.



17. Let's continue and discuss the other features. Go to *Account Groups* where you can organize those accounts and model portfolios that have the same characteristics or those belonging to the same client.



18. Go to *Securities Invested* to view all the securities invested in model portfolio, custom benchmark, and accounts.



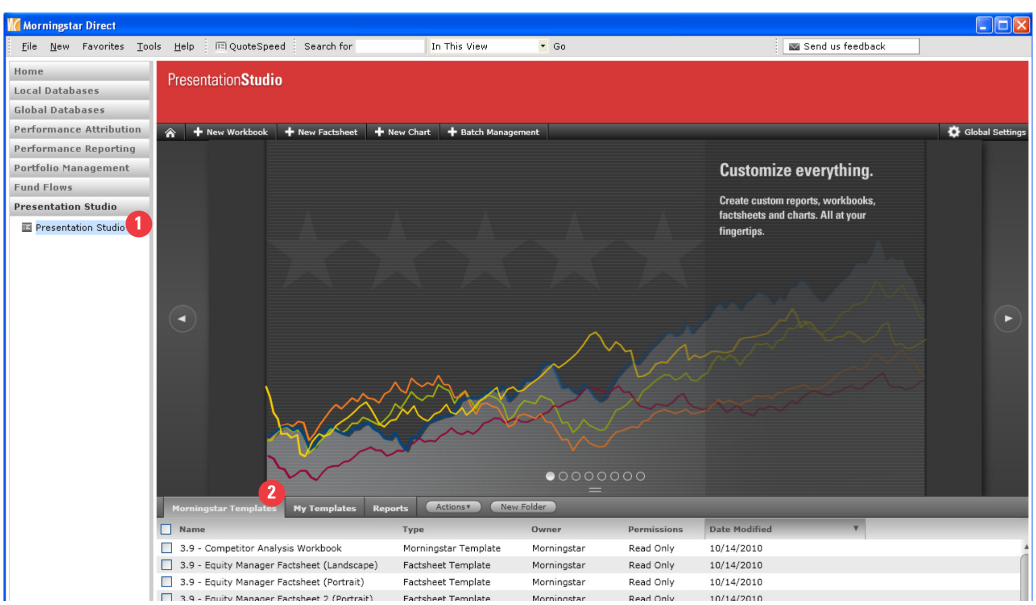
Presentation Studio

Presentation Studio is Morningstar Direct's platform for creating custom presentations. With direct access to Morningstar Direct's databases and flexible charting and reporting capabilities, Presentation Studio helps you better communicate the data behind your investment recommendations. You have full control over both the content and format of your presentations, enabling you to tell your story using professionally designed data tables and charts.

Outline:
Landing Page
Create a Factsheet
Customize your Chart and Table Components
Create a Custom Workbook
Apply Logos, Images, and Text
Automatically Run Factsheets using Batch Scheduling
Automatically Run Workbooks using Batch Scheduling
View your Batch Results

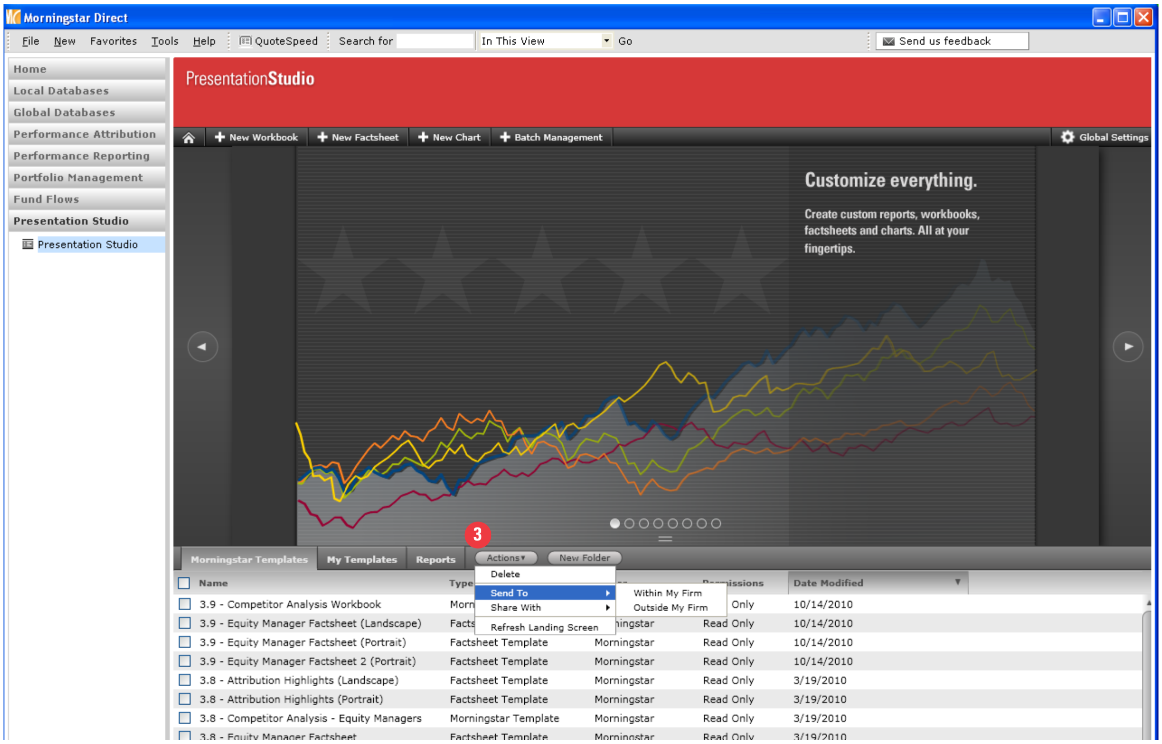
Landing Page

1. Go to the *Presentation Studio* folder to activate its landing page.

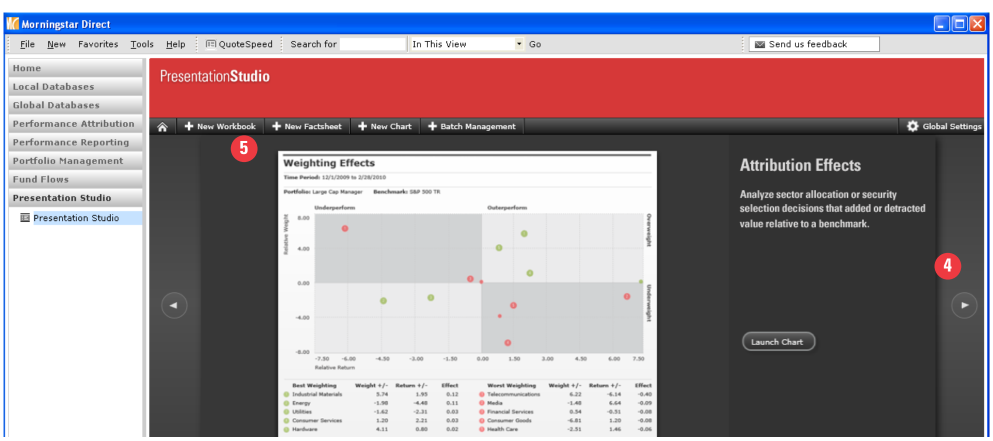


2. At the bottom of the landing page, go to the *Morningstar Template* tab which will be your default view. Here, you can select from the various factsheet and workbook templates to easily jump start your process.

3. To the right, you'll also find *My Templates* to retrieve your own templates or *Reports* to retrieve saved reports. *Actions* is the location to send or share your reports and *New Folder* to organize your files.

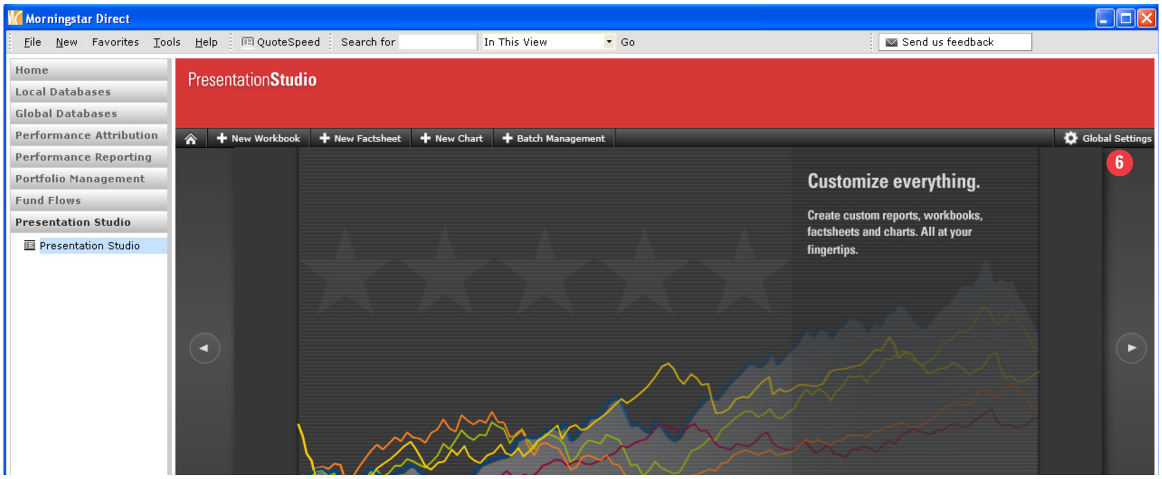


4. Click on the *arrow* to view your sample choices of charts. At any point, you can Launch Chart to create your report.

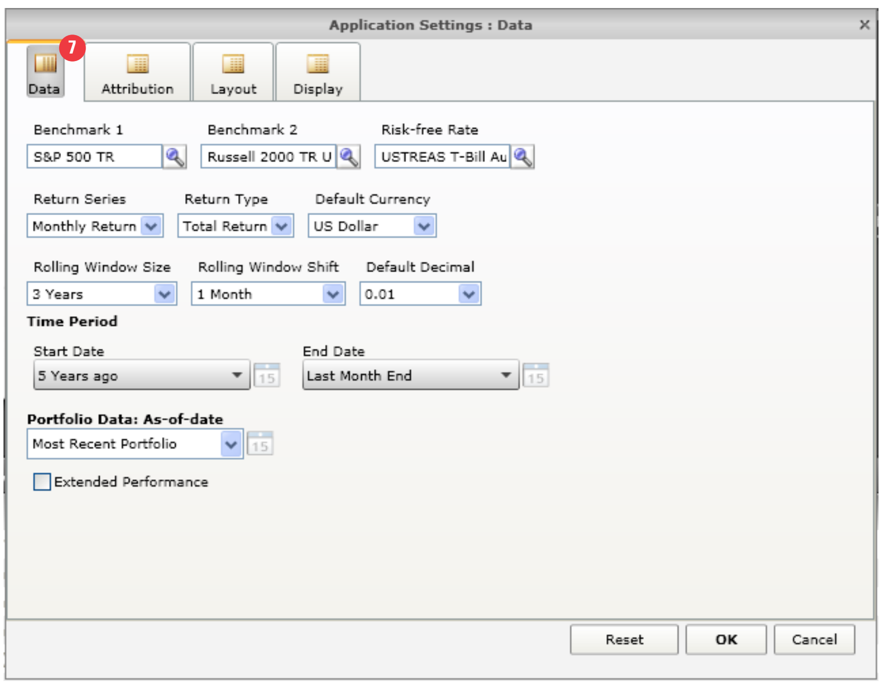


5. At the top of the action bar, you can select from *New Workbook, New Factsheet,* and *New Chart* to build your presentation from scratch. Batch Management will be covered at the end of the chapter.

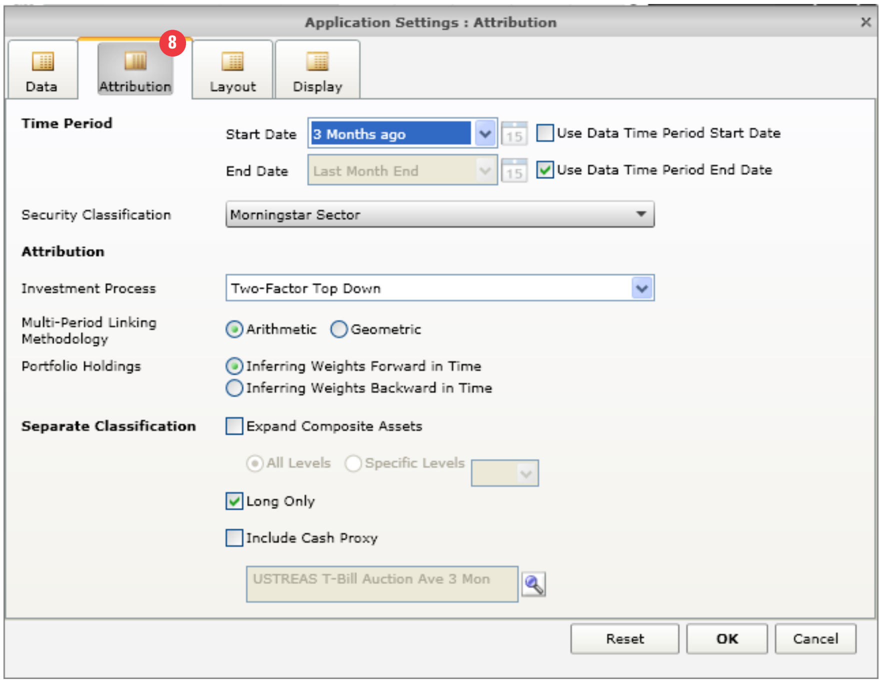
6. Click on *Global Settings* to set your default settings for Presentation Studio.



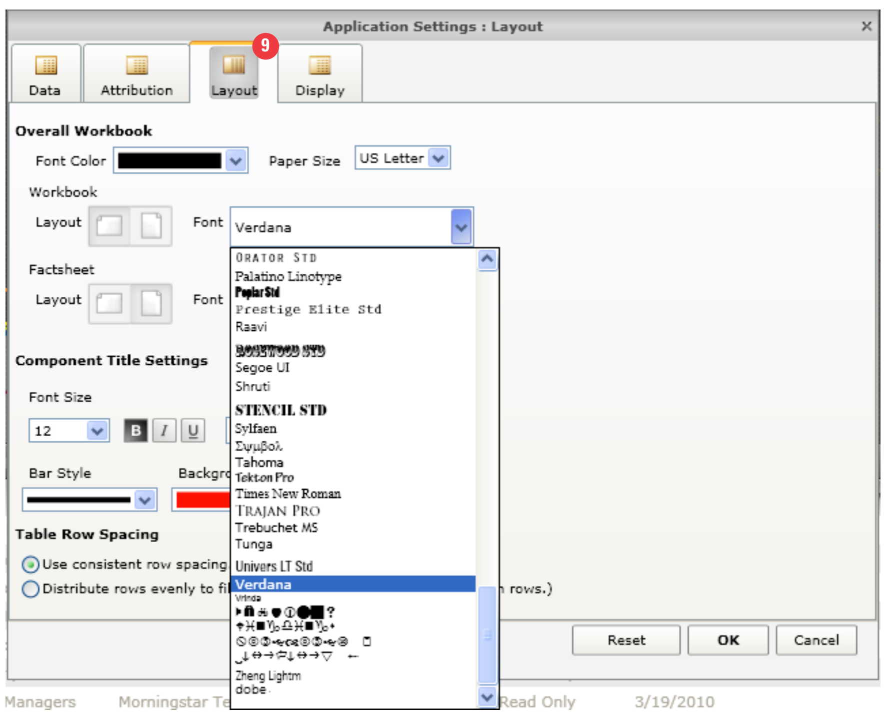
7. You will be taken to the Application Settings window. Use the *Data* tab to create your defaults for benchmarks, return series, time periods, portfolio dates and more.



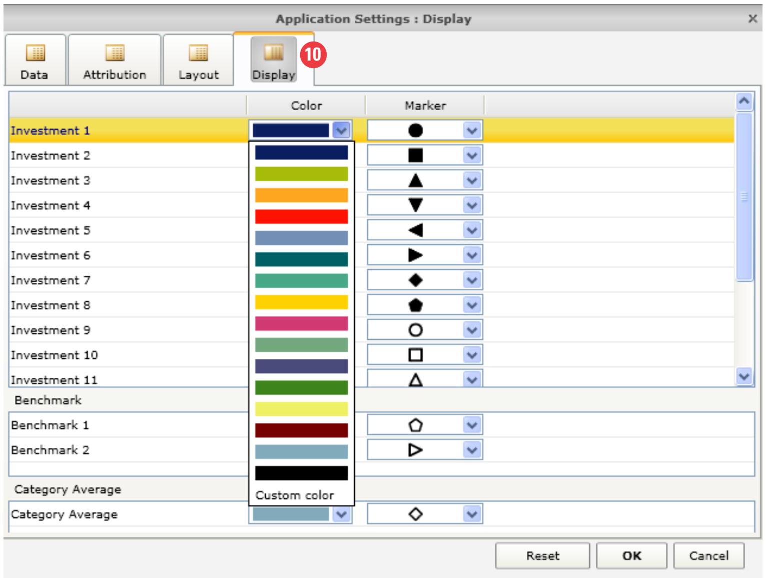
8. Go to the *Attribution* tab to set your Equity Attribution setting defaults such as time period, security classification, investment process and more.

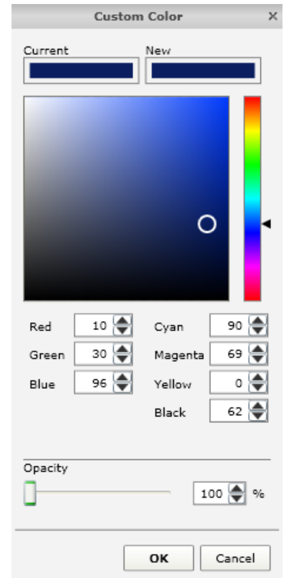


9. Go to the *Layout* tab to set your defaults such as Font, Color, and Component Title Settings.



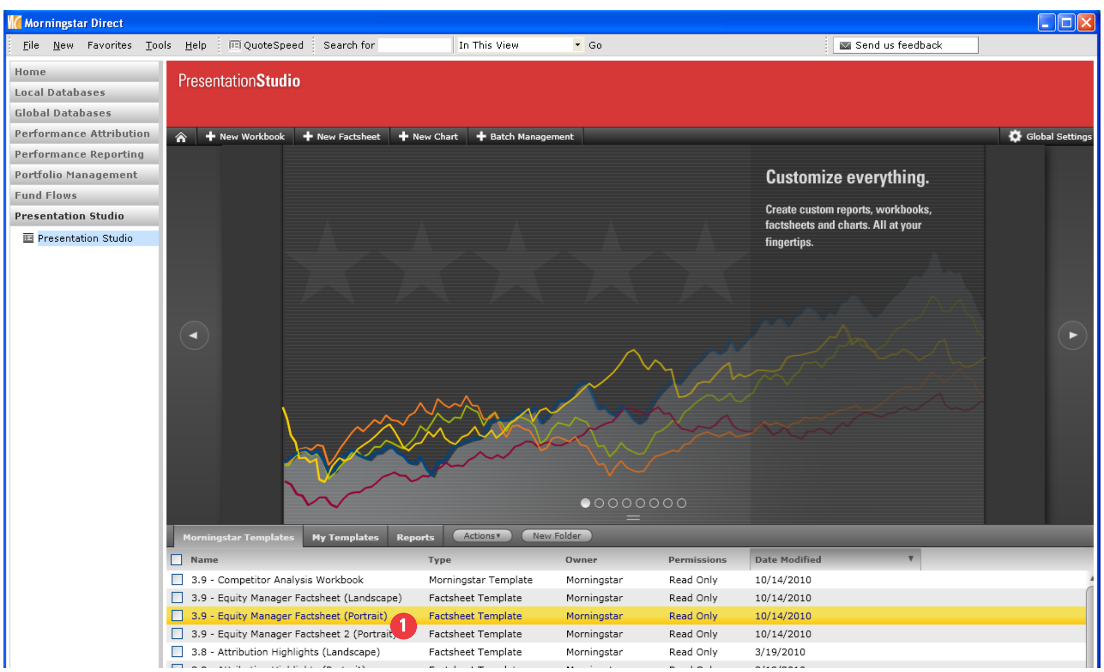
10. Go to the *Display* tab to set your color and marker designations for your investments, benchmark, and category average. You can also customize your colors by inputting the specific RGB value or by moving the circle cursor.



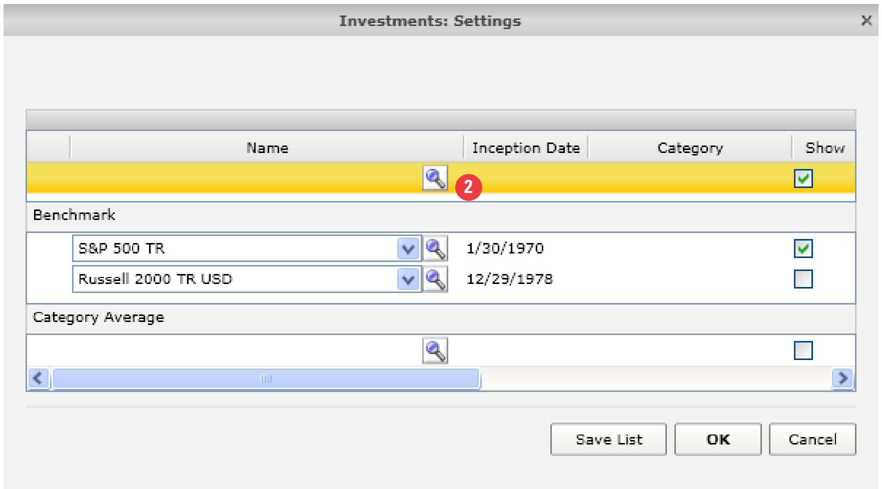


Create a Factsheet

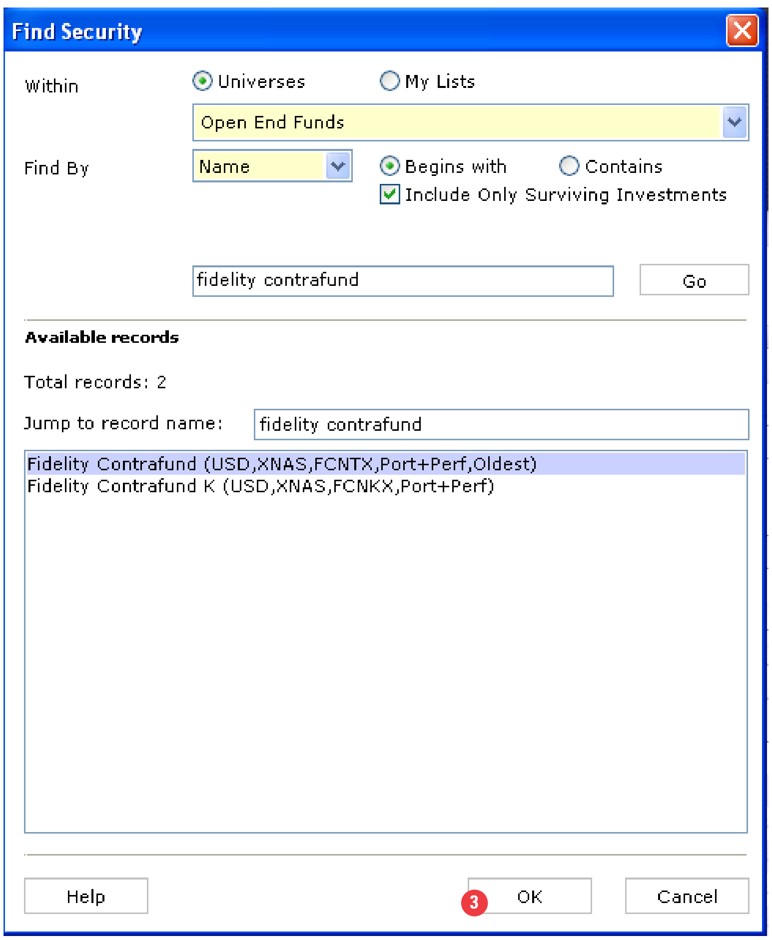
1. Morningstar Factsheet templates are designed for one investment compared to one or two benchmarks and the Category Average. Go to the Morningstar Template tab and click on *Equity Manager Factsheet (Portrait).*



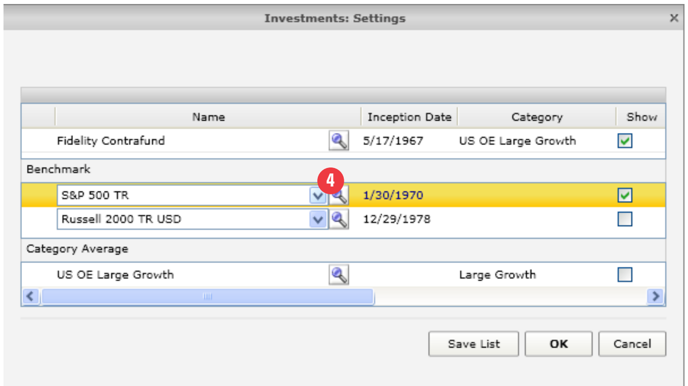
2. You will be taken to the Investments: Settings Window. Click on the *Magnifying glass* to locate a name.



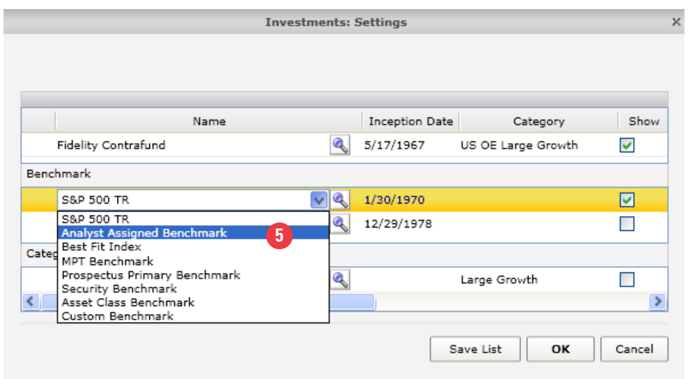
3. In the Find Security window, locate Fidelity Contrafund and click *OK* to be taken back to the Investments: Settings dialog box.



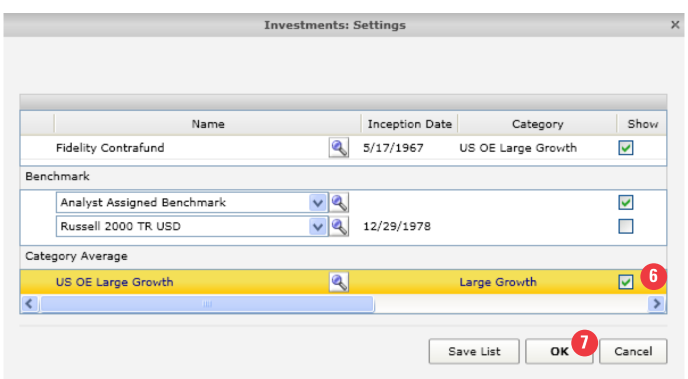
4. Go to the first benchmark and click on the *drop down* to change the benchmark. S&P 500 is the default based on Global Settings. The secondary benchmark is also displayed and can be activated by manually checking it.



5. You have many benchmark choices to select from including those from your custom security classification (i.e. Custom Benchmark). Select *Analyst Assigned Benchmark.*

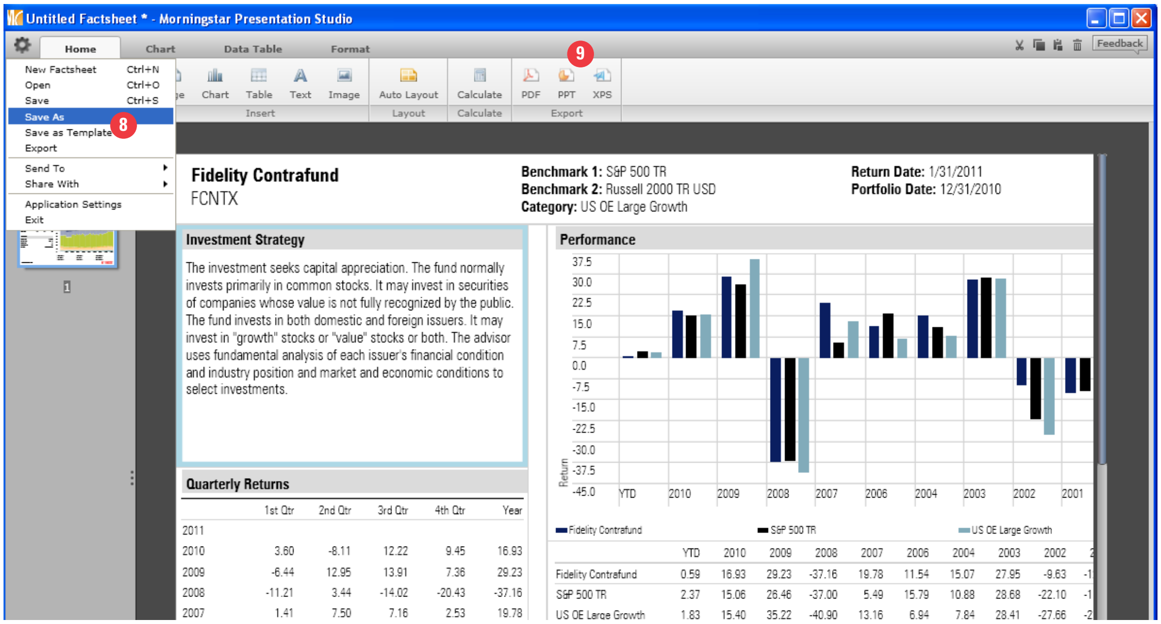


6. The Category Average of the fund will automatically be activated. Check the box to include the Category Average in your Factsheet.



7. Click *OK* to generate the Morningstar Template Factsheet.

8. You've successfully generated the factsheet using the Morningstar Template. Go to the Star Icon at the top left corner and click on *Save As* to save the report. It will be stored in the Reports folder in your landing page. Notice that you can also save your file as your own template by clicking on Save as Template.



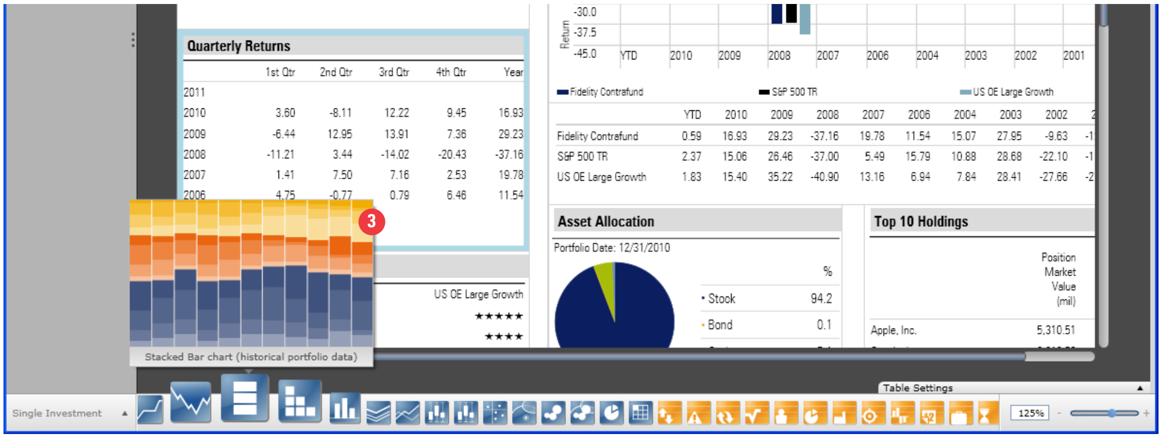
9. Save your factsheet as a *PDF, Powerpoint,* or *XPS*.

Customize your Chart and Table Components

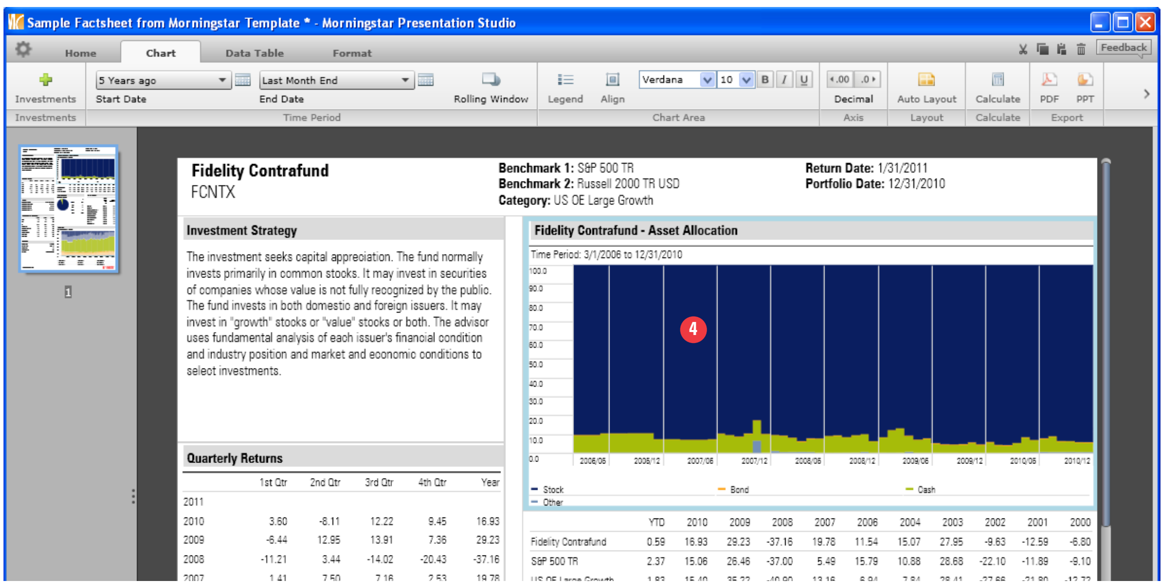
1. Once you've created your factsheet, it is very easy to customize any of the charts and tables. For this exercise, we will utilize the Morningstar Template Factsheet from the previous exercise but the following logic can be applied to any workbook. Open your factsheet. In this image, we've zoomed in 125% to focus on the top half of the factsheet.

2. Go to the *Icons* on the bottom of your screen. The blue icons represent charts and the orange icons represent tables.

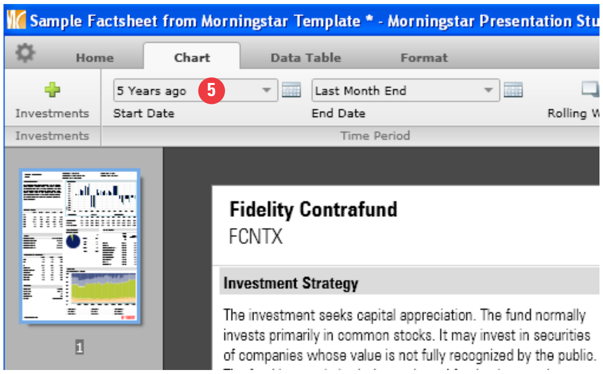
3. As you roll over each of the icons, you will active the chart and table views.



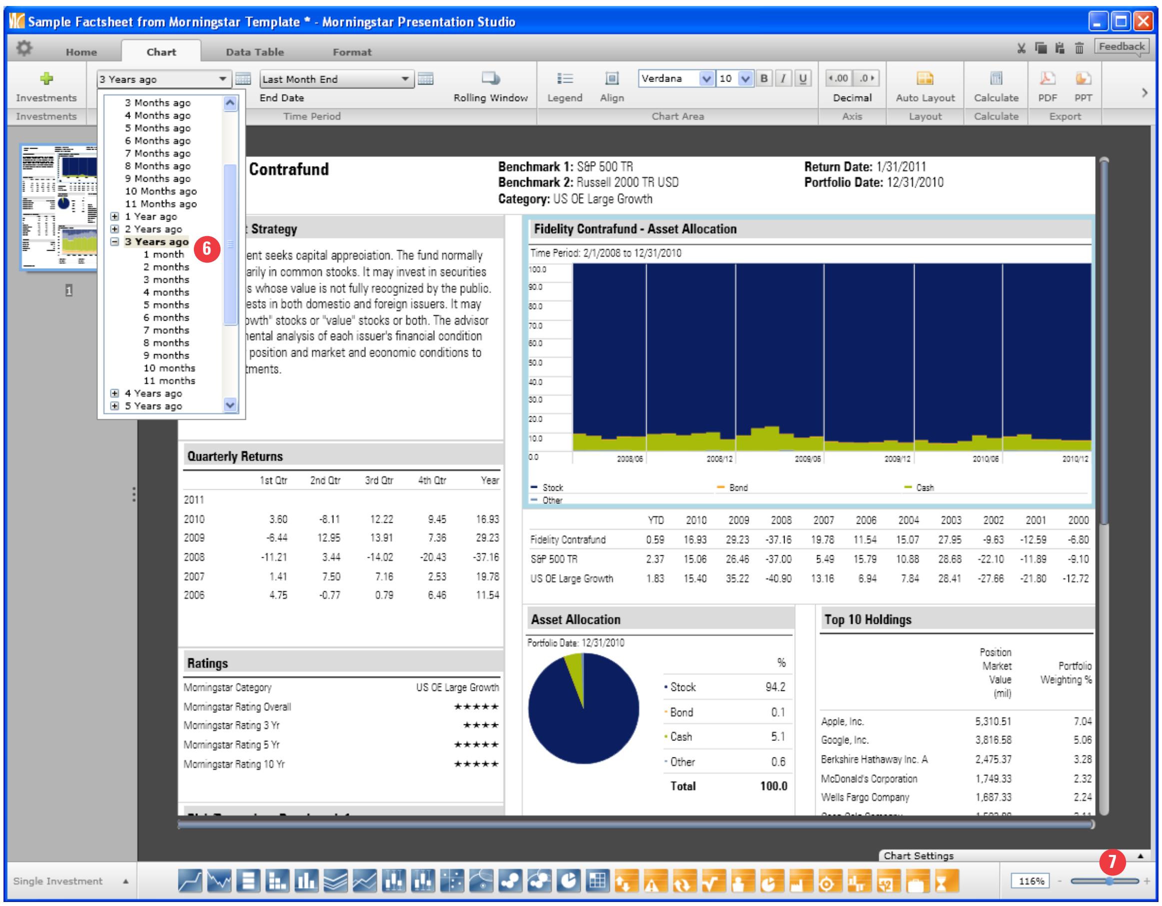
4. Drag the *Stacked Bar Chart* onto one of the component boxes and it will automatically replace the current component.



5. Notice the light blue border around the new Stacked Bar chart. This light blue border will activate the necessary settings to customize the chart or table. For our example, you will see the Chart tab activated. Click on the *Start Date*. You can also use the calendar to change the default start date.

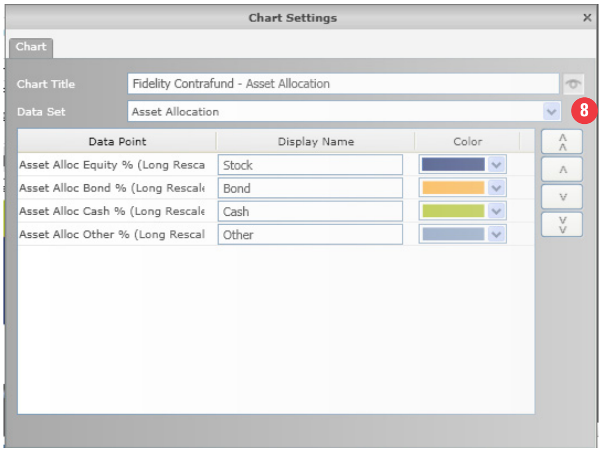


6. Select *3 Years Start Date* and you will automatically change the start date of the stacked bar chart to 3 years ago. At any point, you can also customize other settings such as the end date, font size, and more.

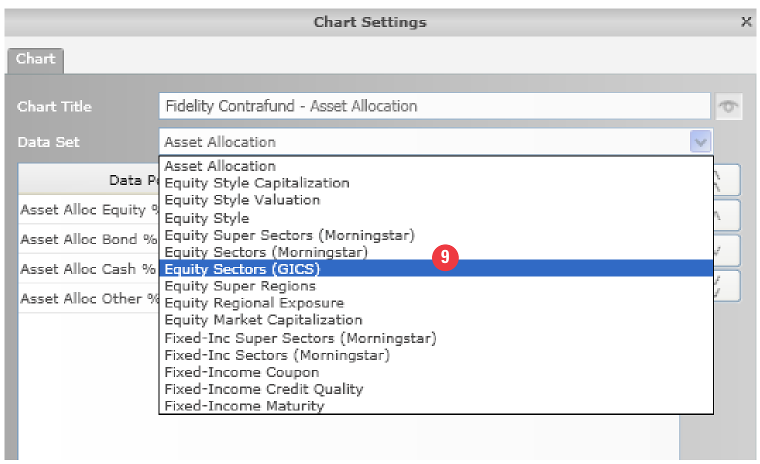


7. Next, go to the *Chart Settings* at the bottom right hand corner of your view to activate more advanced custom settings.

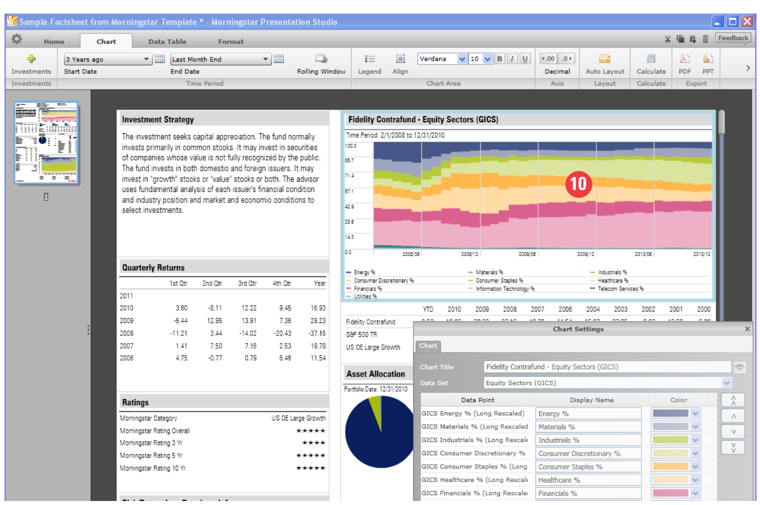
8. Click on the *Data Set* drop down.



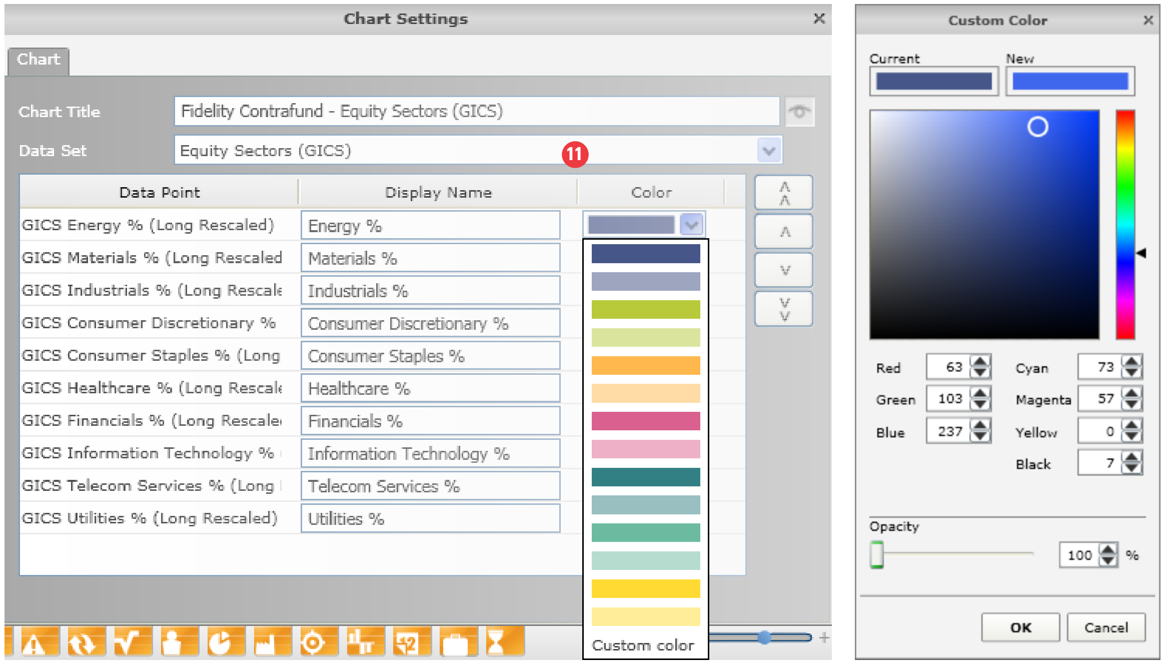
9. You can easily select from other data set choices such as equity market capitalization, equity sectors, equity style and more. Select *Equity Sector (GICS)* to replace the default, Asset Allocation.



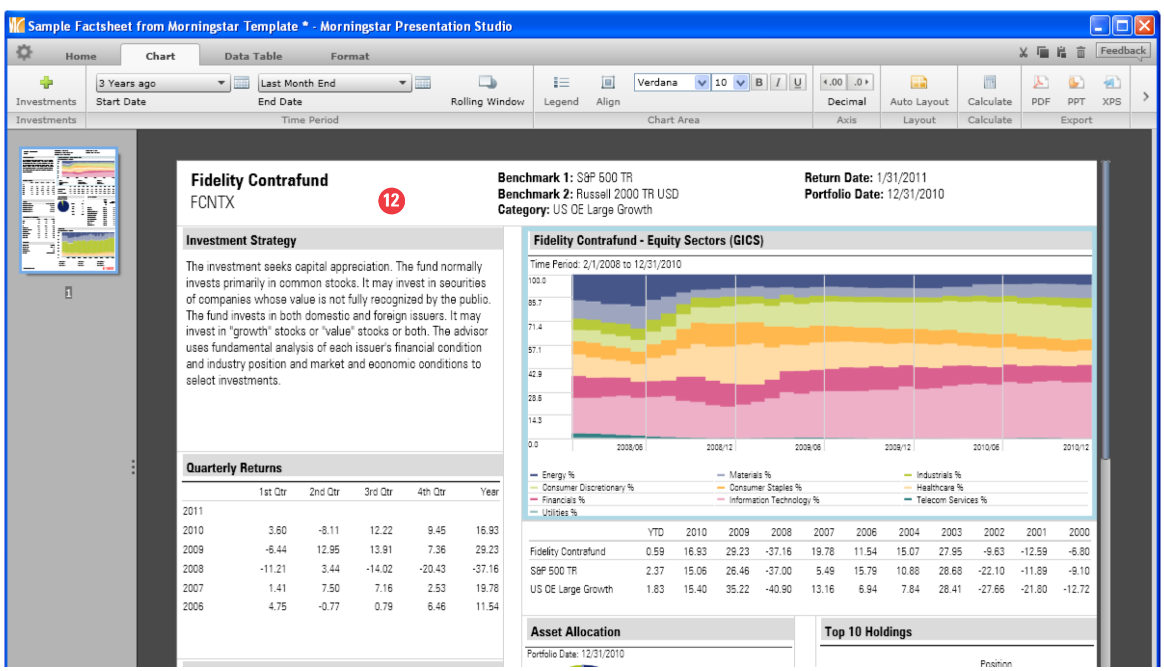
10. As you can see, your selection will immediately replace the current Asset Allocation default.



11. In the chart settings, you can also alter the display name or select another color choice

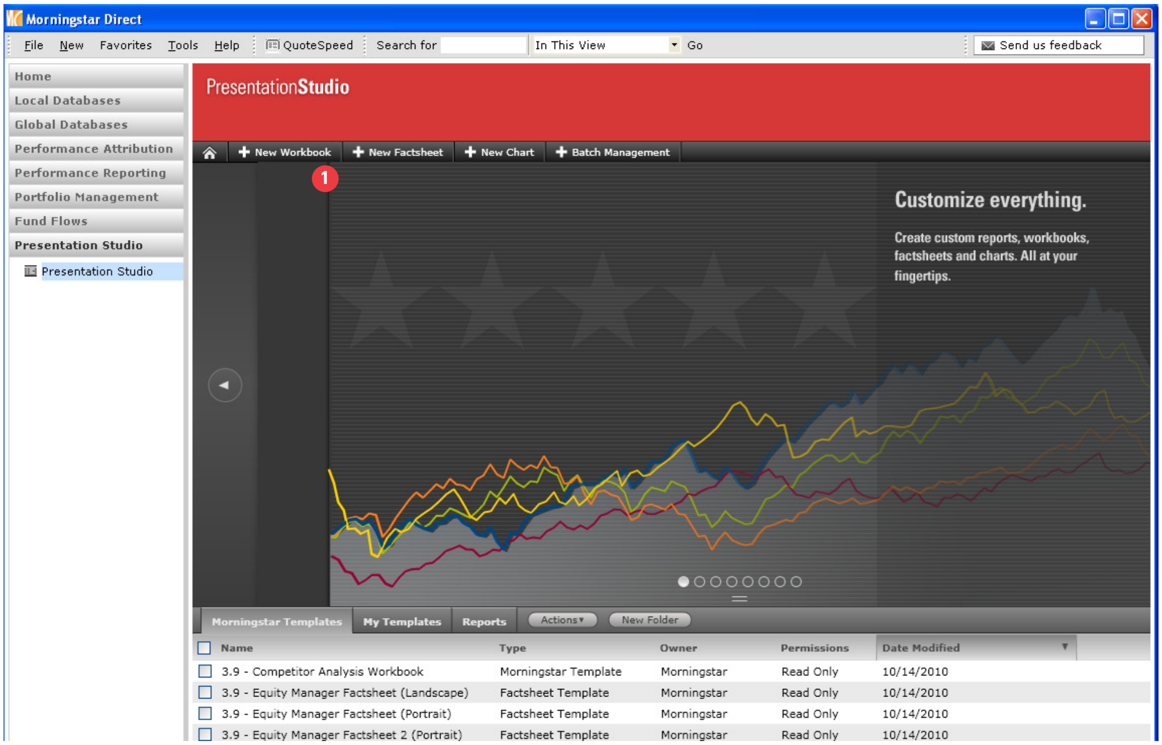


12. As you can see, it is very easy to customize your presentation. You can also resize any of the chart or table components to customize your view. The customization logic is the same for all factsheets and workbooks as we will demonstrate in the next exercise when we create a workbook from scratch.

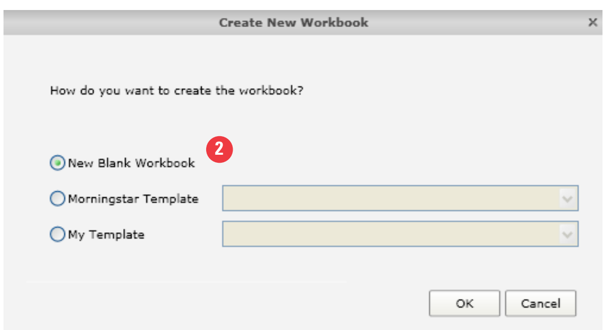


Create a Custom Workbook

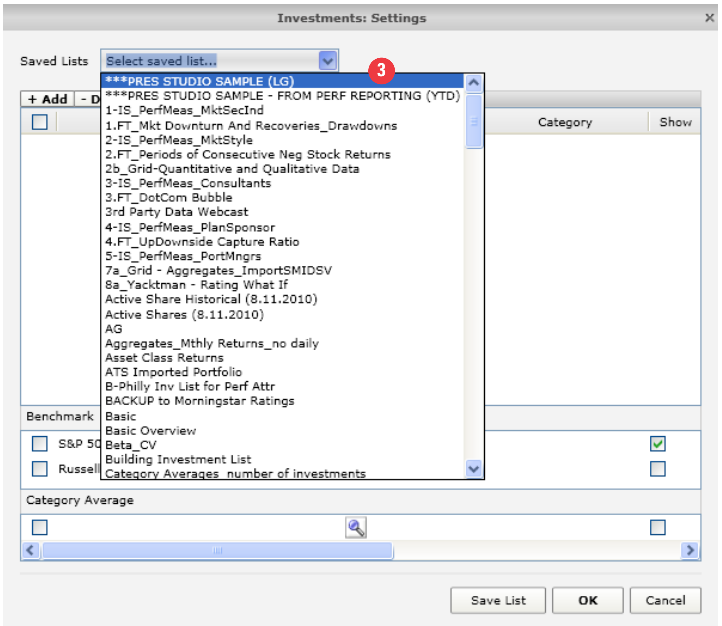
1. In the previous exercises, we learned how to quickly generate a quick Factsheet using a Morningstar Template and how to customize that template into our own presentation. In this exercise, we will create a new workbook from scratch and explore more available features in Presentation Studio. Click on *New Workbook* from the landing page.



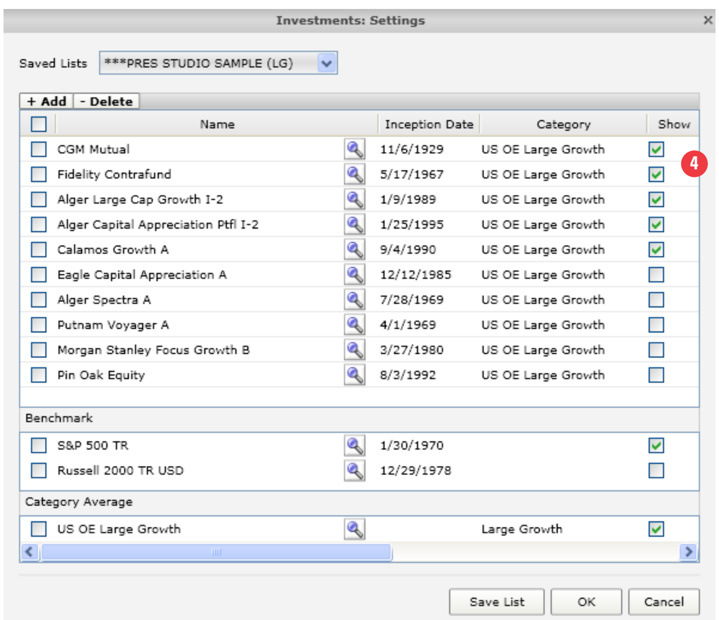
2. In the Create New Workbook dialog box, you have three choices. Morningstar Templates are also available in this view as well as your saved templates under My Template. Click on *New Blank Workbook*.



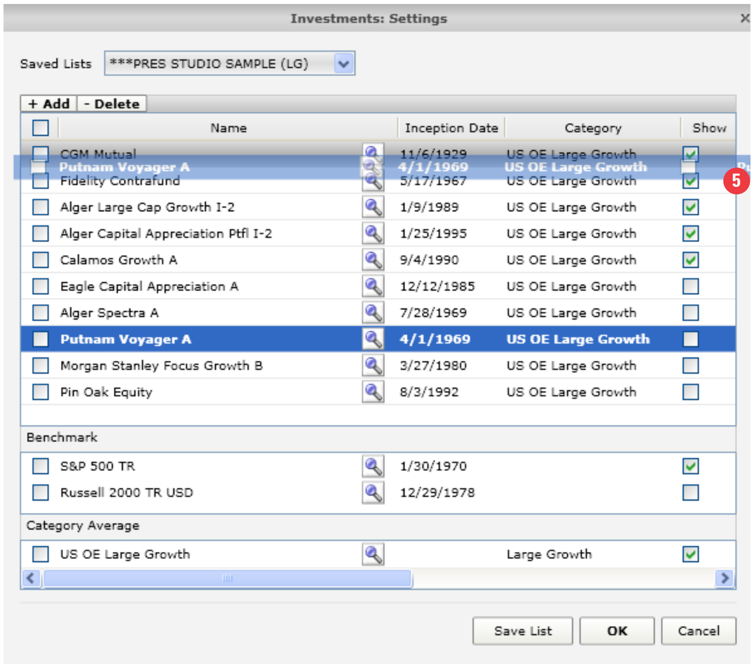
3. In the Investments:Settings window, you can either search for investments by clicking on the + Add or select from an existing investment list. Go to *Saved Lists* and retrieve an existing investment list.



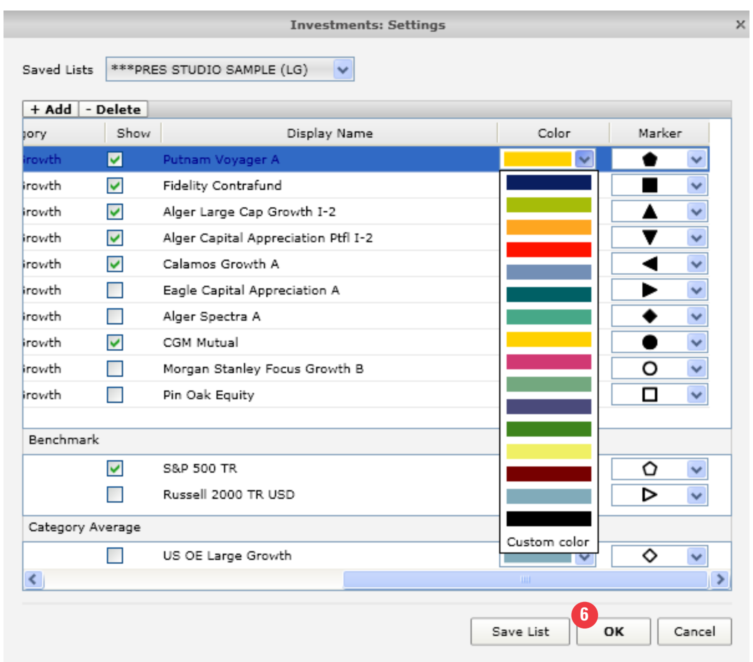
4. Once you've selected your list, the screen will populate the names. The *first five names* will be checked. You can select up to 15 names for your workbook.



5. If you would like to move a specific investment to another row, simply click and drag.



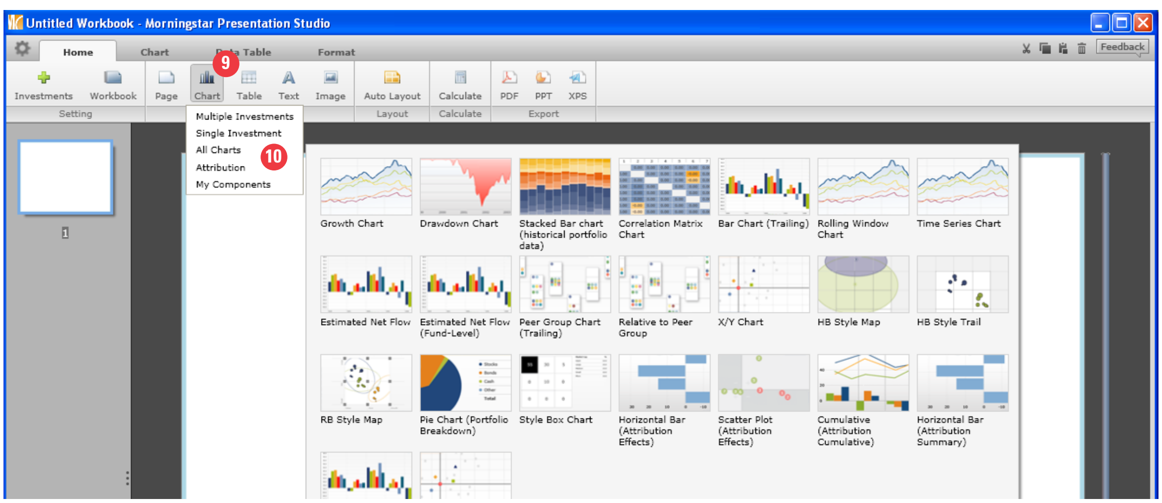
6. In the same view, move the scroll bar to the right where you can customize display name, color, or markers. Once you've customized your settings, click *OK* and you will be taken to a blank screen to add your chart and table components.



7. Go to the bottom left corner and you will see that Multiple Investments icon grouping is displayed which will activate the necessary charts and tables. You can also select from the other icon grouping choices, such as Attribution and Fund Flow charts and tables. We will keep *Multiple Investments*.

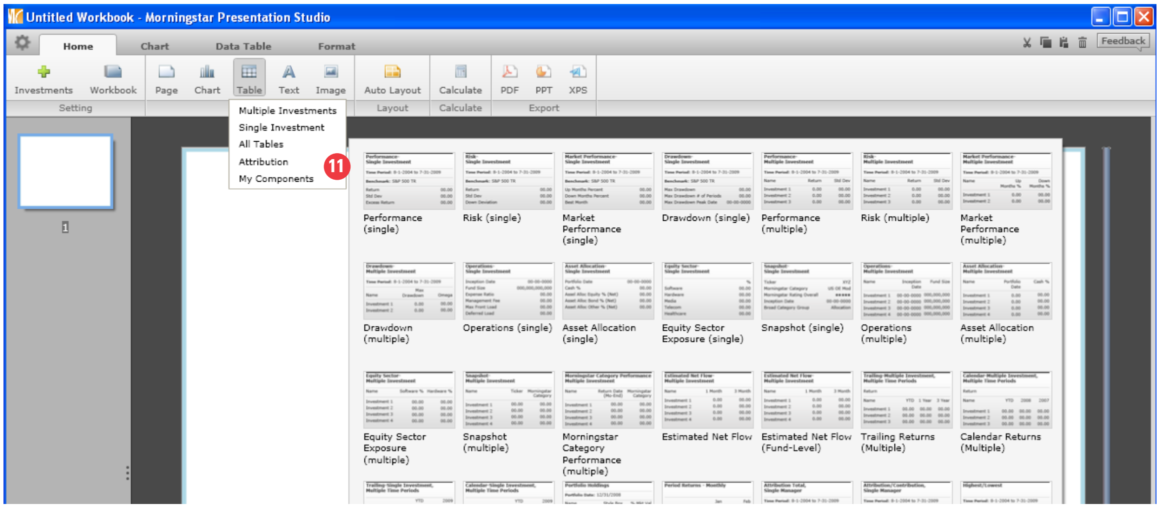
8. Roll the mouse over the chart and table icons. Charts are represented by blue icons and tables are represented by orange icons.

9. Go to the *Chart* command where you can view the many types of charts.

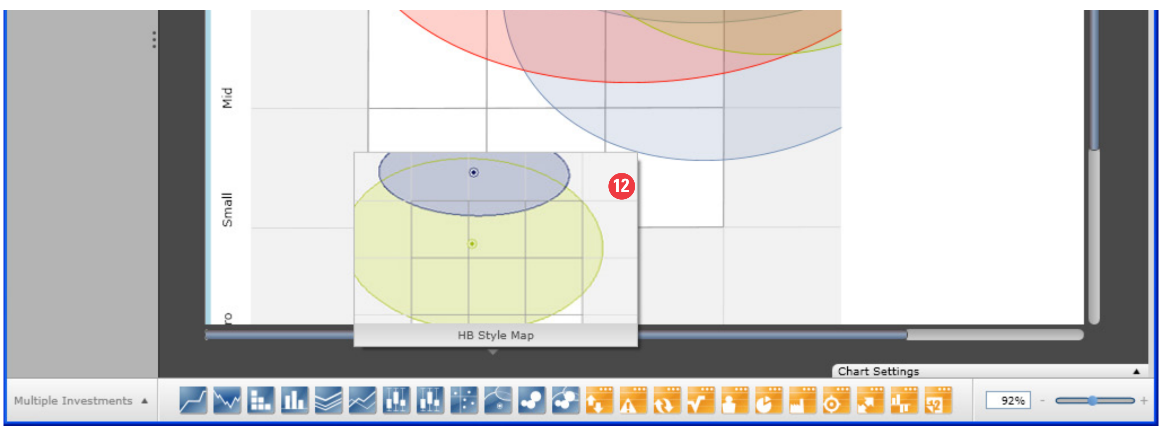


10. As you’re building your presentation for factsheets or workbooks, you can save your chart components and retrieve them from *My Component.*

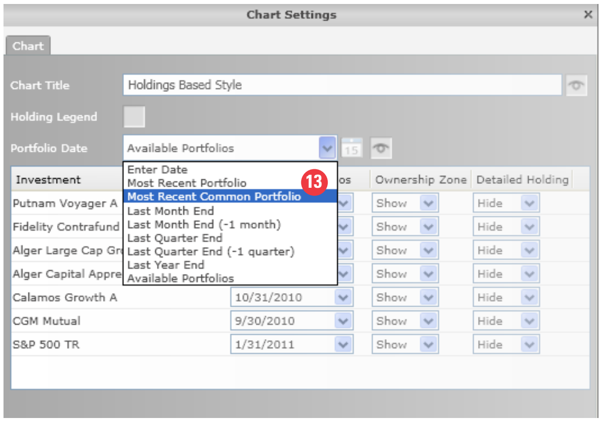
11. Go to Table and click on all Tables to view all the tables that are available. You can also save your table components and retrieve them from *My Component.*



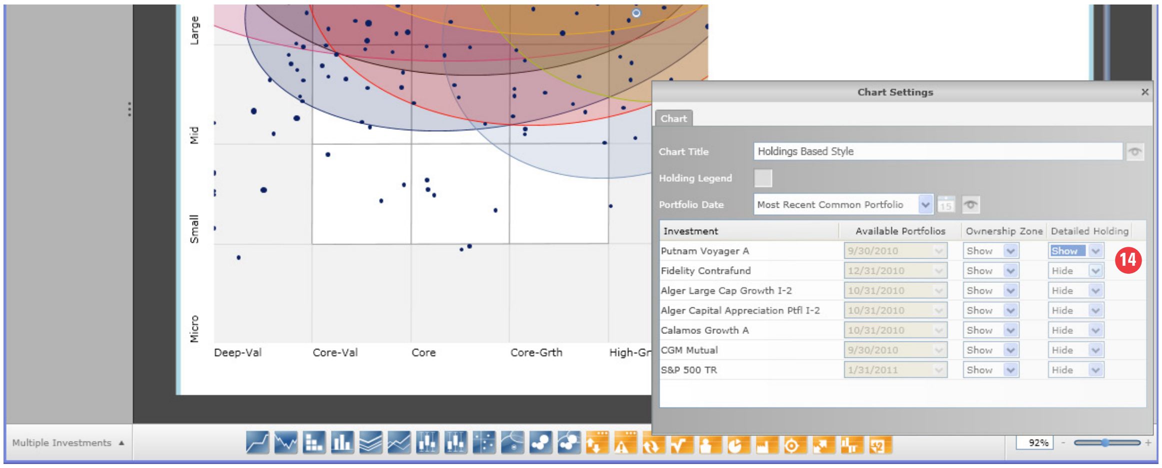
12. Let’s begin to create our workbook. You can drag and drop any of these components onto the page. Drag and drop the *Holdings Based Style Map* to populate the selected investments. Each time you drag and drop a chart or table, it will replace the previous view.



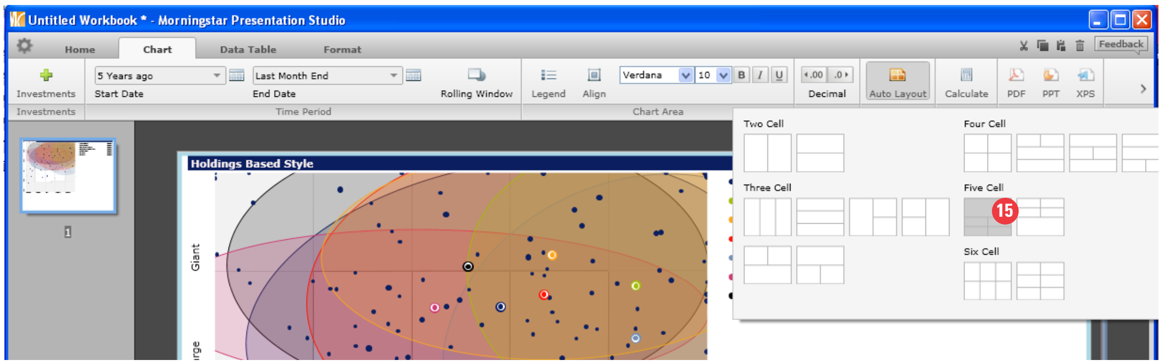
13. Click on the Chart Settings at the bottom right to activate the common holdings period. Select *Most Recent Common Portfolio*.



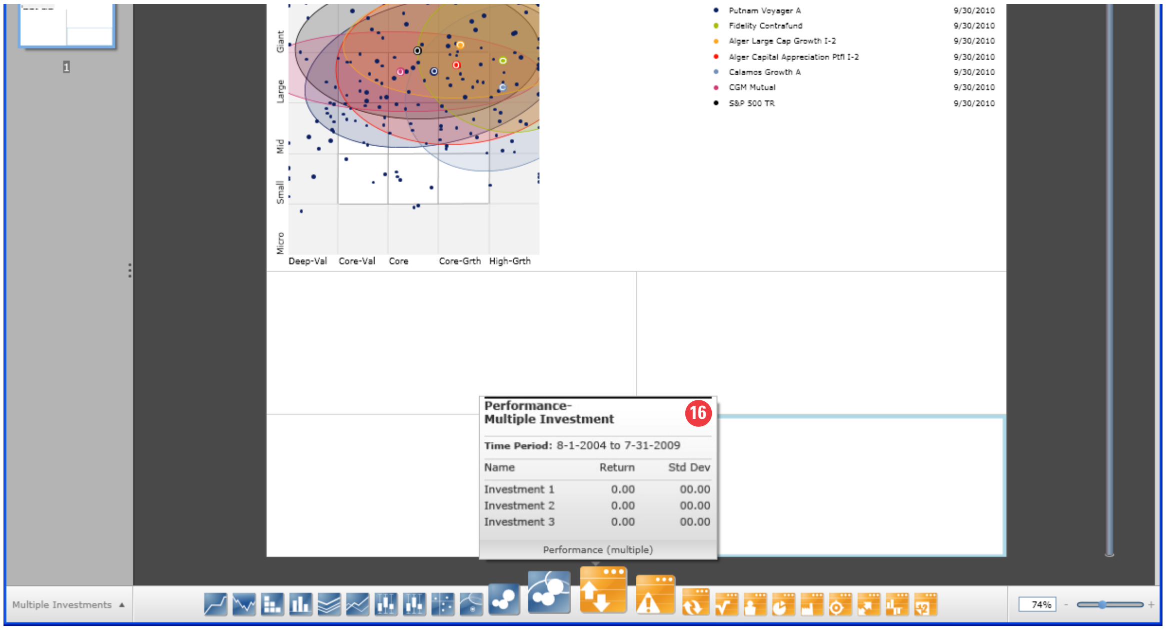
14. Go to Detailed Holding column and click on *Show* to display the holdings.



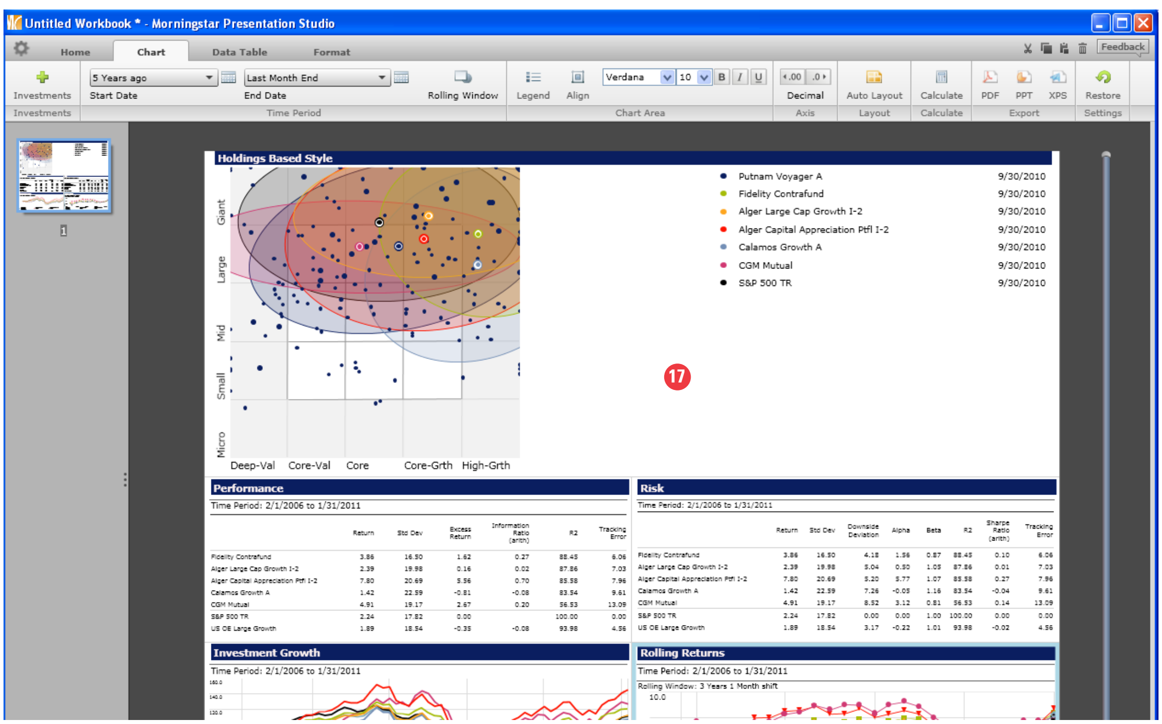
15. Once you've added a chart or table to the page, you can divide the page to make space for additional content using the auto layout feature. Go to Auto Layout and select from the various default page configurations. Click on the *Five Cell* layout.



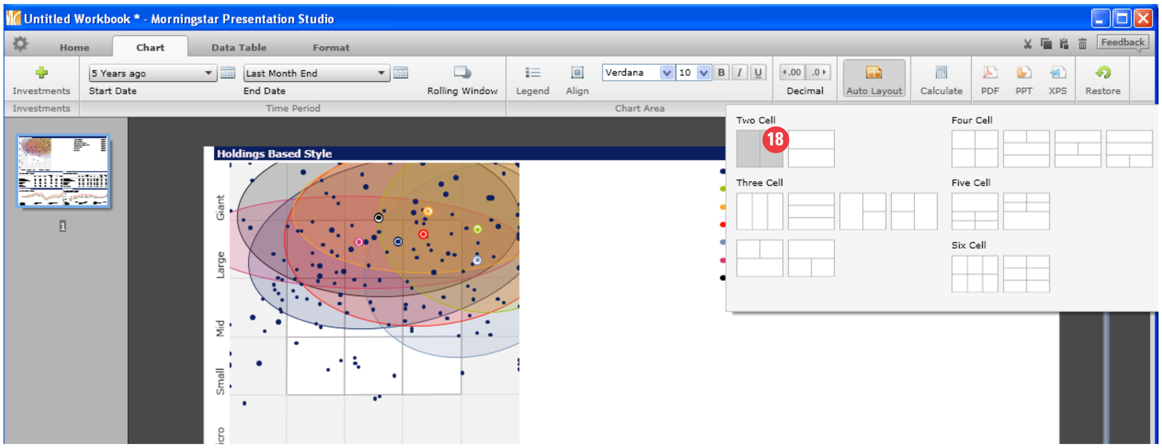
16. Continue to add more contents to the page by dragging and dropping the desired charts and tables. For example, add a table to one of the cells.



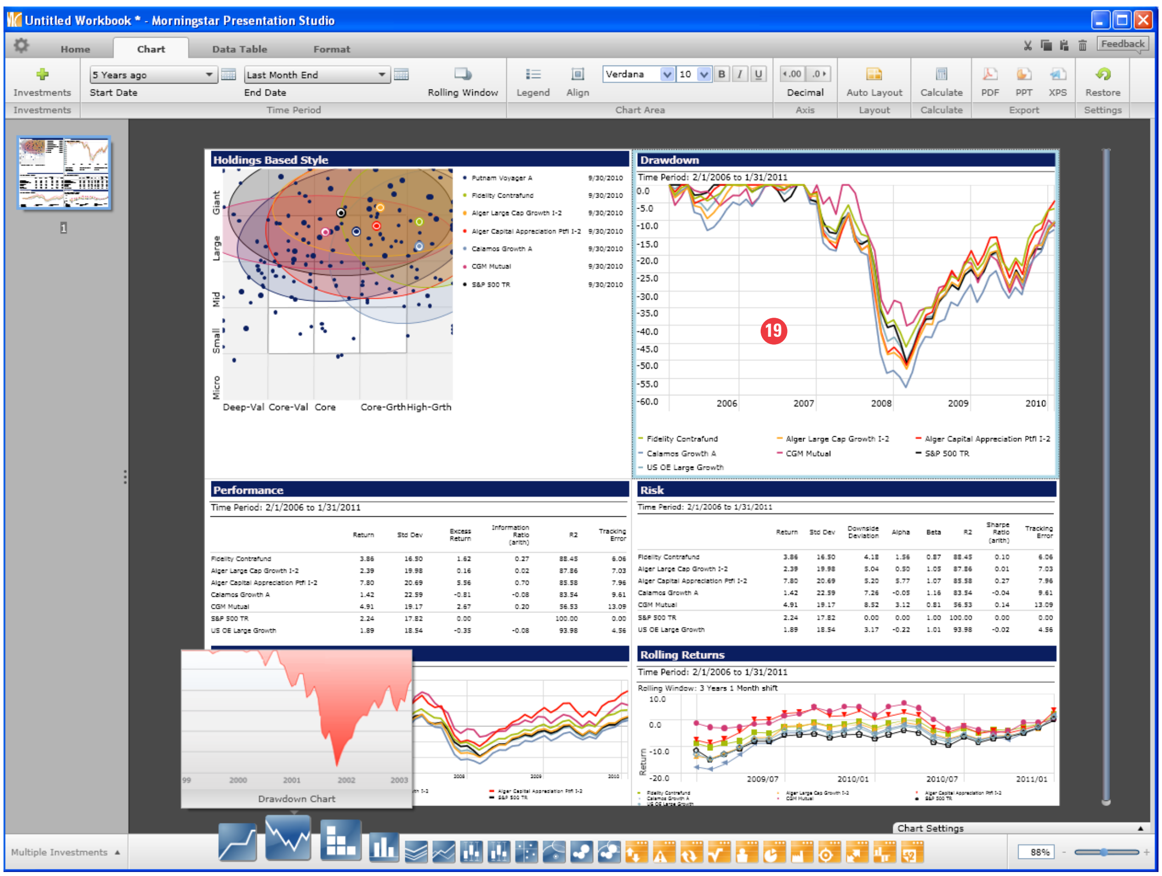
17. Continue to fill all the cells.



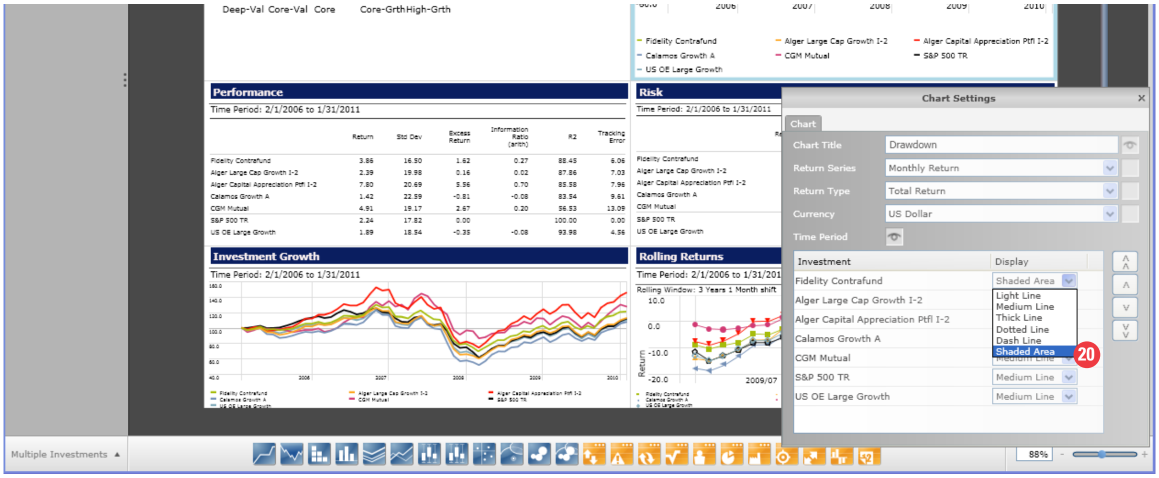
18. Go to the top cell, activating the blue outline, and click on the *Two Cell* under auto layout.



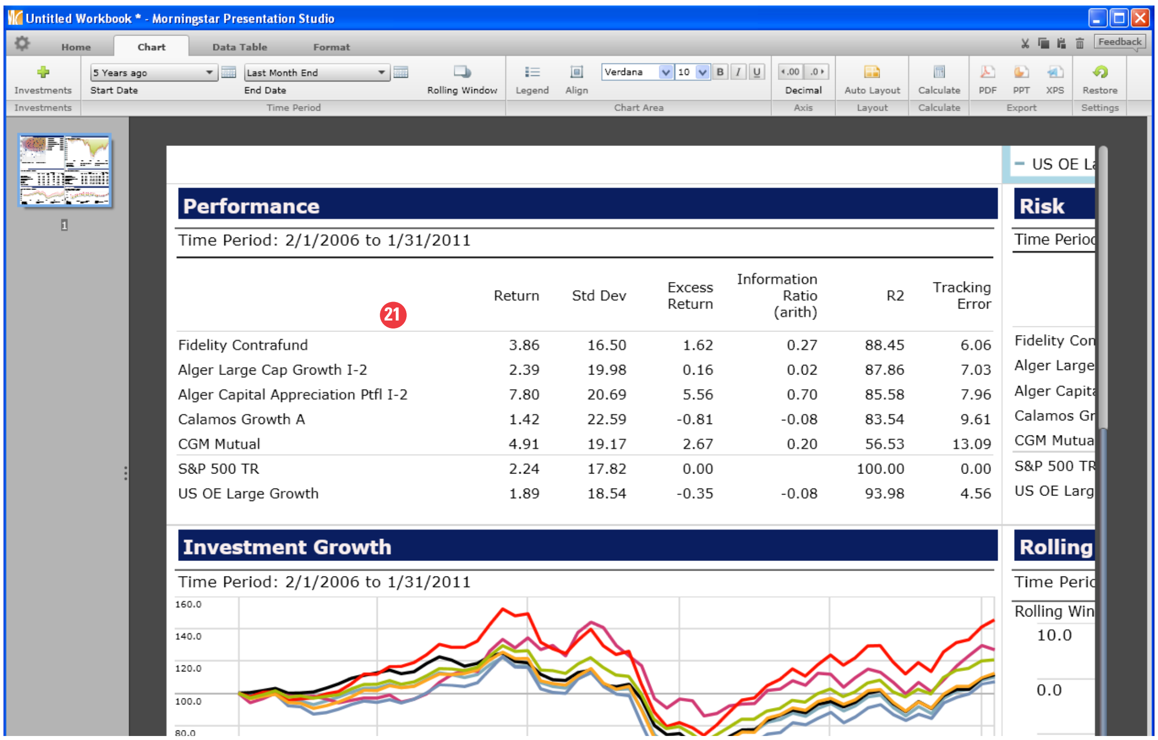
19. Notice how easy it is to add another cell. Drag the Drawdown chart to fill that component.



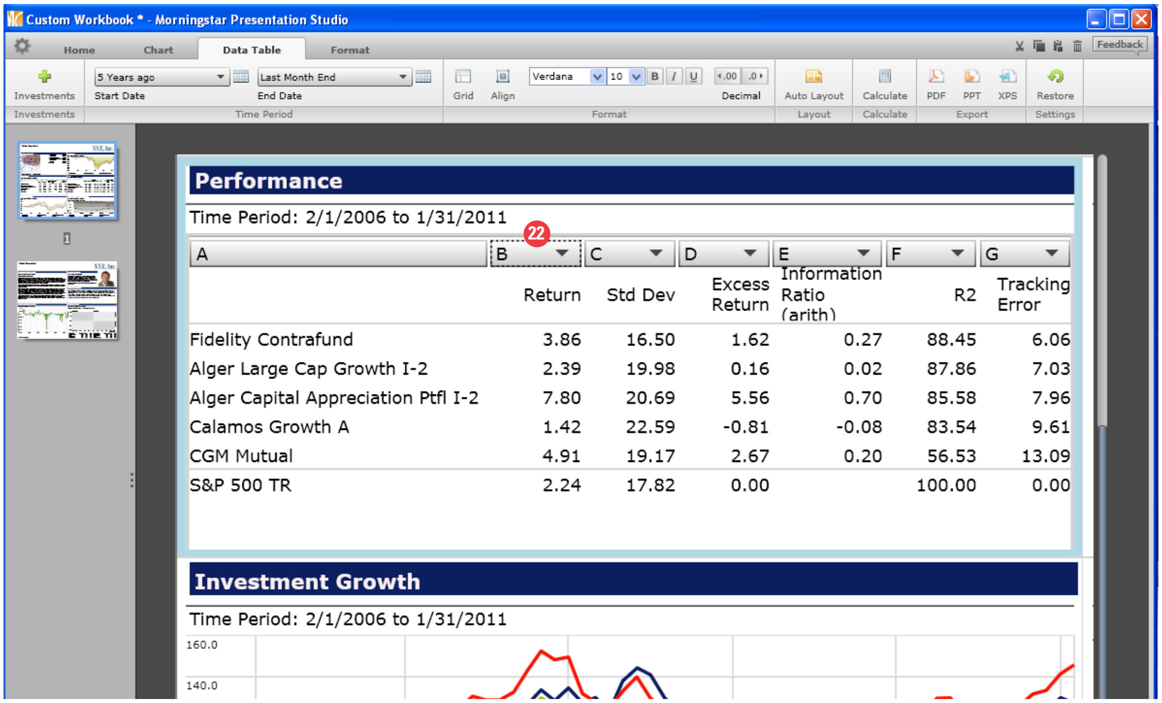
20. Click on the drawdown chart and go to Chart Settings at the bottom right. By clicking on the return series, return type, currency drop downs, you can easily change the option. You can also change the display from a line to another choice. Select *Shaded Area* to change the line to a shaded area for a specific investment.



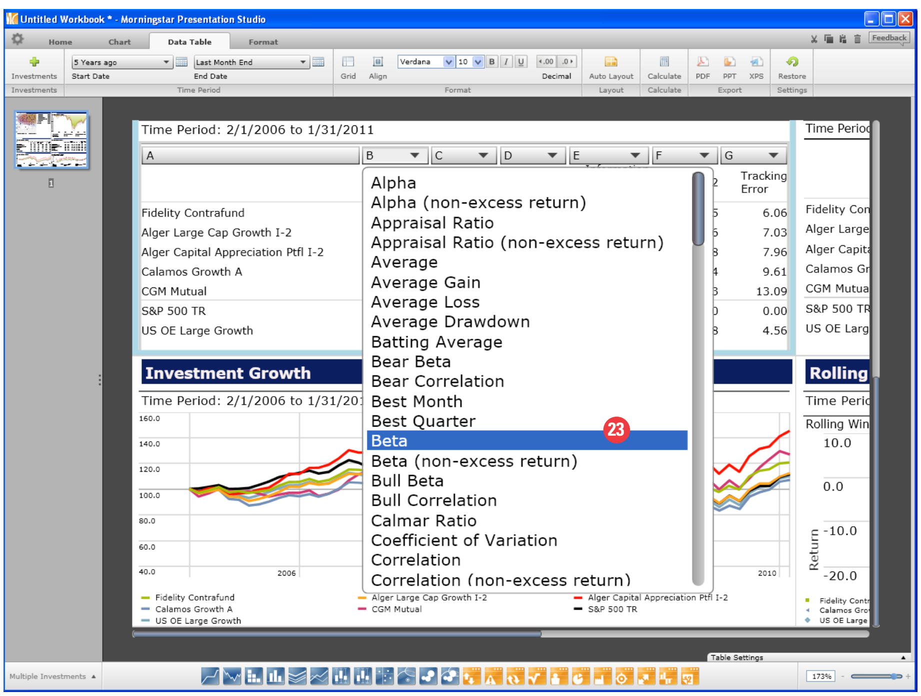
21. Let's now turn our attention to a table. Using the Zoom and scroll bar, go to one of your tables.



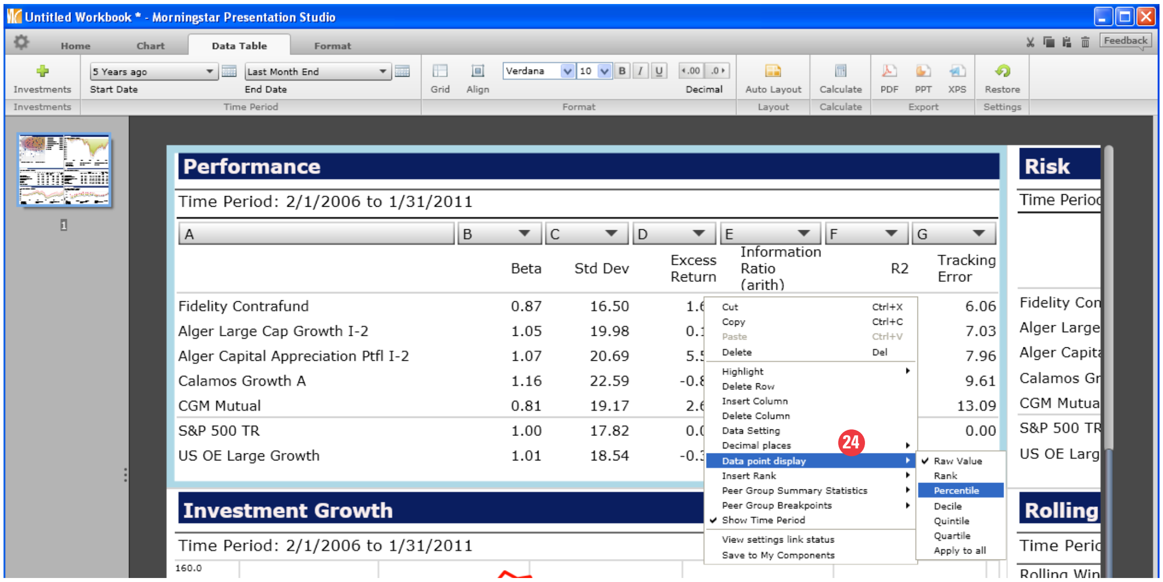
22. Click on the table (i.e. Performance Multiple Investments) to activate the blue border. Blue border will activate the data table at the top and the Table settings in the bottom right. You will also notice the column headings have been activated for you to change any of the data points.



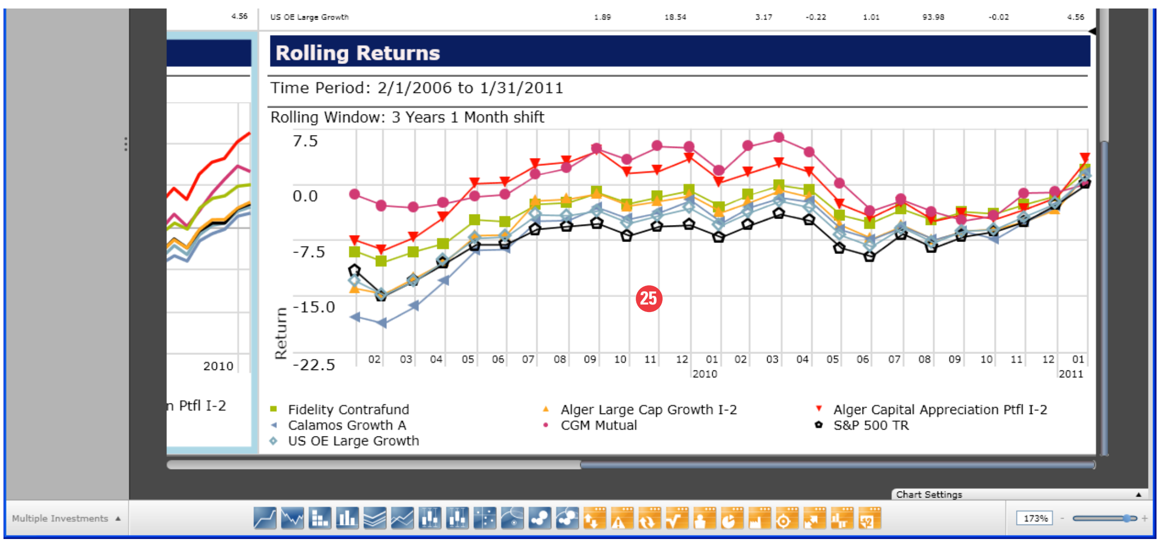
23. Click on column B to activate all the custom calculation choices. Select *Beta*.



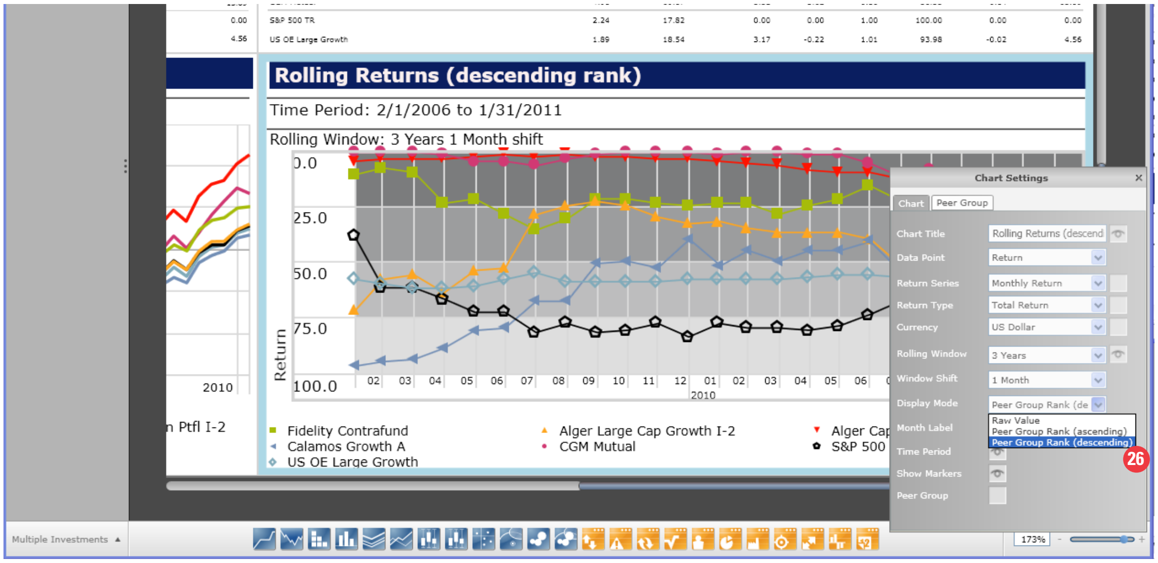
24. In the same table, go to a column heading (i.e. excess return) and do a *right click* where you can customize the your data points further with the data point display, peer group breakpoints, and more.



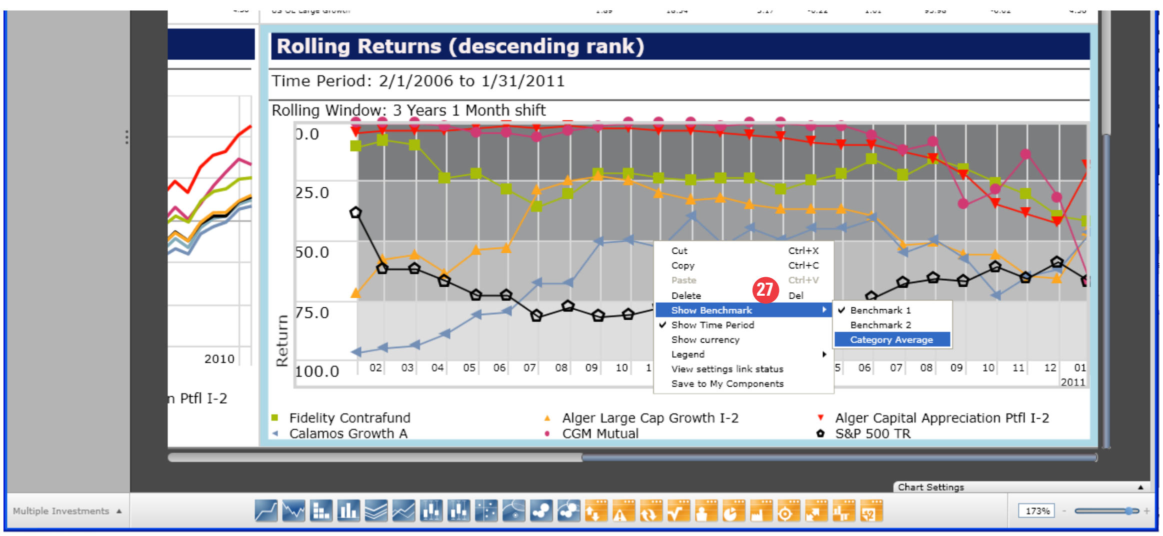
25. In every chart or table view, you can custom it's settings. There are many to choose from and each set of settings will be specific to its chart or table. The last example that we will spend time on is the *Rolling Window Chart*. Keep in mind, you always have the ability to resize the image.



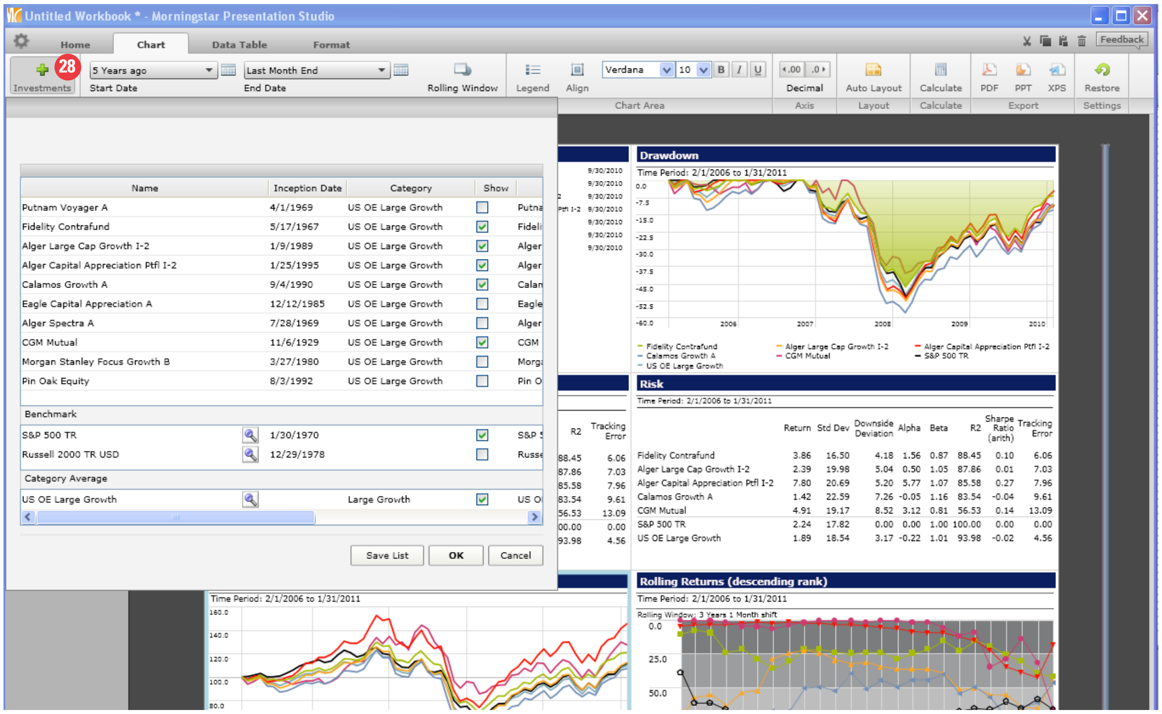
26. Go to Chart Settings and click on the Display Mode. Select *Peer Group Rank (descending)* to display how the managers ranked in their universe, as indicated by the gray shades.



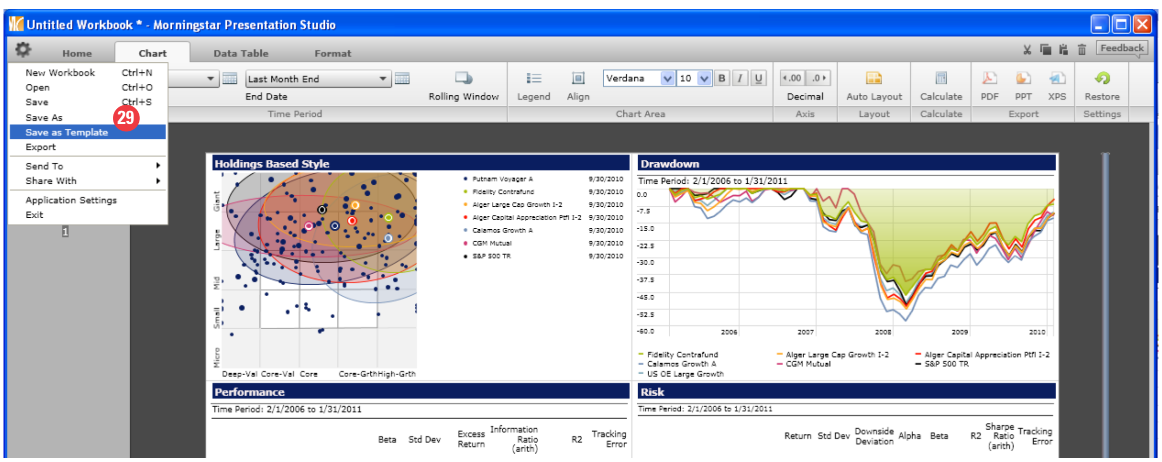
27. You can further customize this chart by doing a *right click* and remove the category average by unselecting the Check.



28. As you customizing your workbook, you always have the option of selecting specific invests to display by going to the *Investments* command, selecting and unselecting certain names.



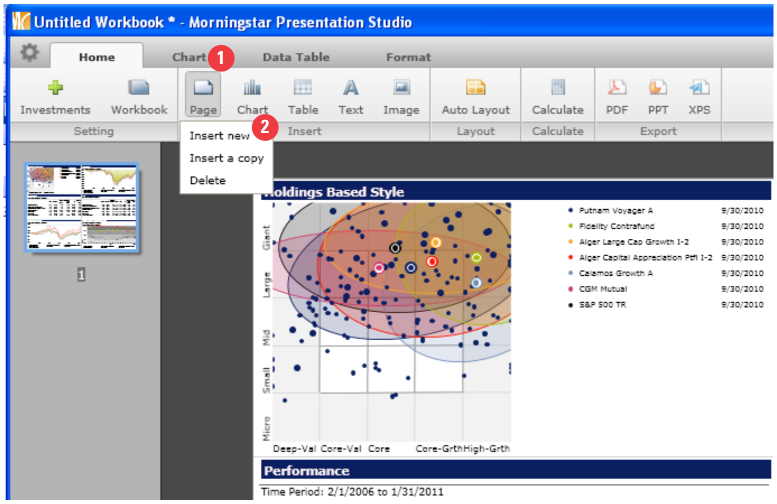
29. Once you've completed your workbook, you can save it as a report or template. Click on *Save as Template* and it will be saved in the Template folder so you can apply to future reports.



30. Save your workbook as a *PDF, PPT, or XPS.*

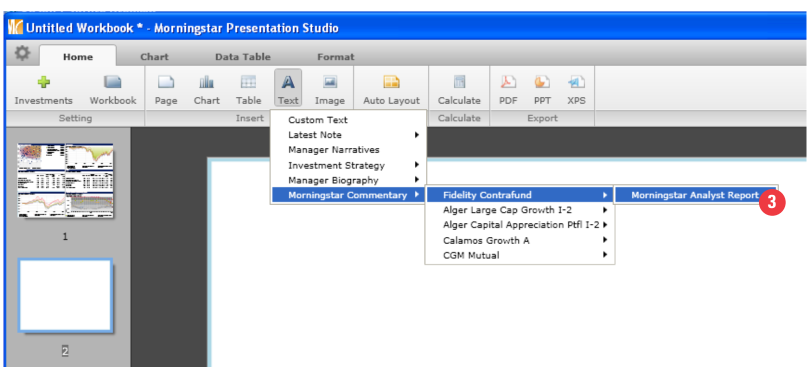
Apply Logos, Images, and Text

1. In the previous sections, we covered customization of charts and tables. In this exercise, we will further customize our presentation with headers, logos, and text.   From your factsheet or workbook, go to the Home tab and click on *Page*.

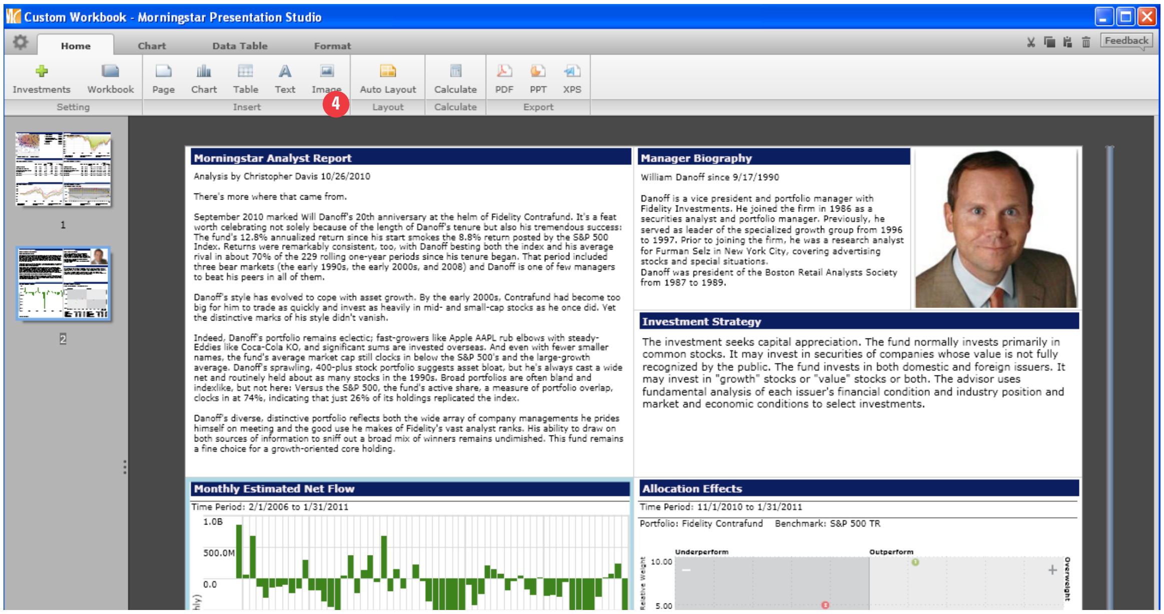


2. Click on *Insert New* to insert a new page.

3. Go to Text and you will find various choices from Custom Text to Manager Narratives, Investment Strategy, Manager Biography, and Morningstar Commentary. Click on Morningstar Commentary and select the *Morningstar Analyst Report*.

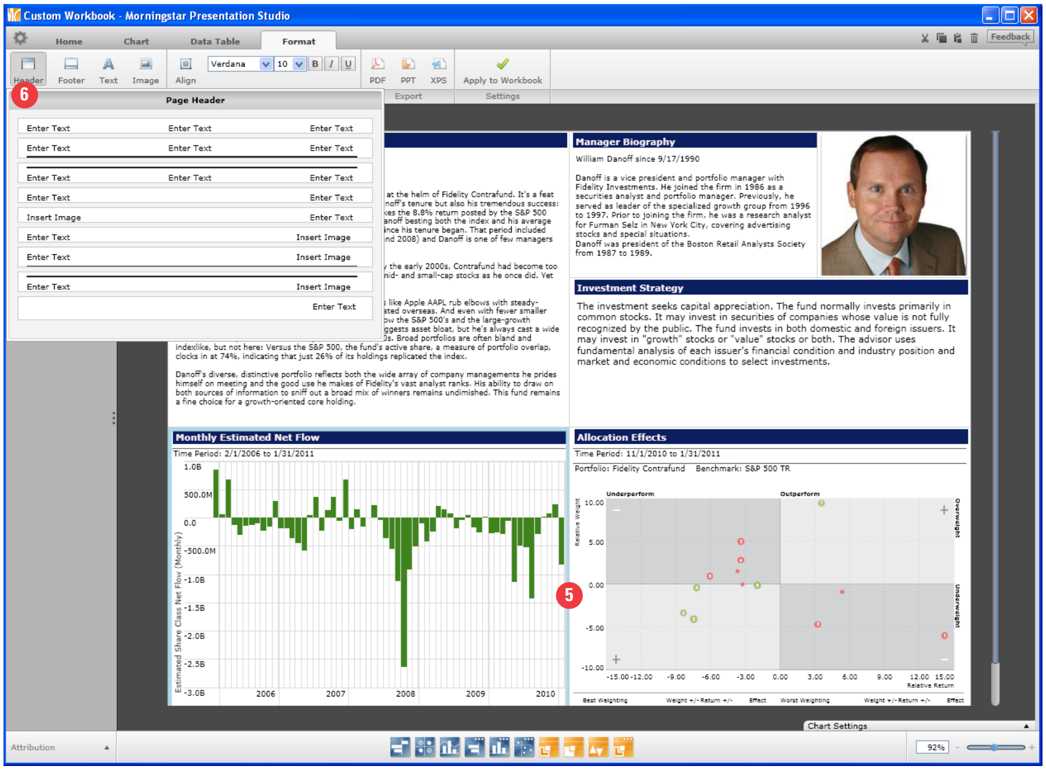


4. Continue to drop in the other text examples. Go to *Image* and browse for a logo or image.

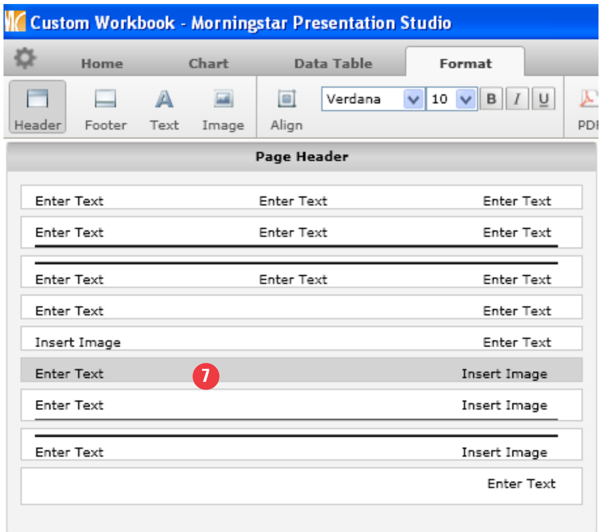


5. Notice at the bottom of the page you can also incorporate *Fund Flow* and *Attribution Effect* results.

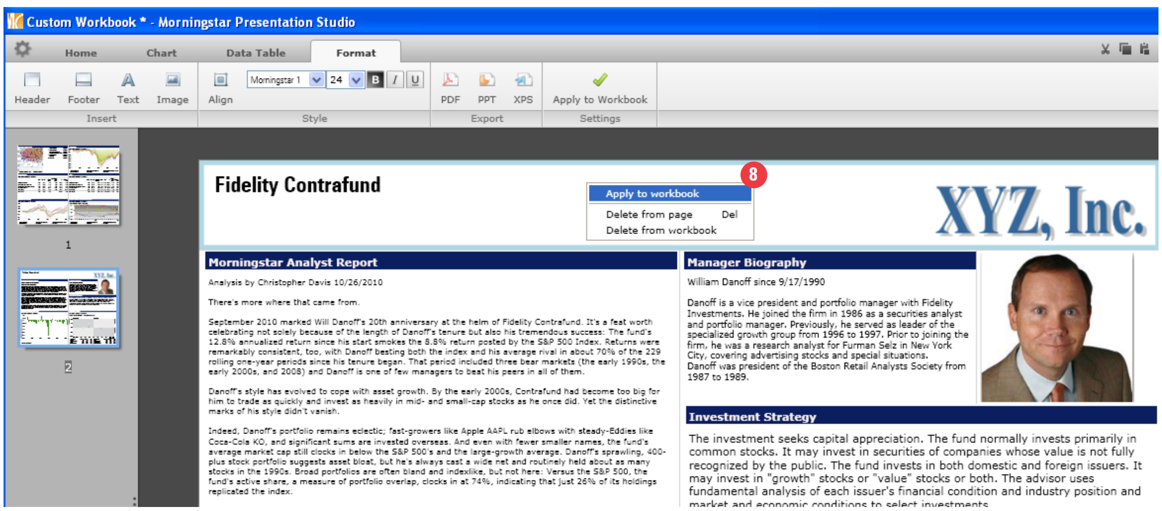
6. Go to the Format tab and click on *Header*.



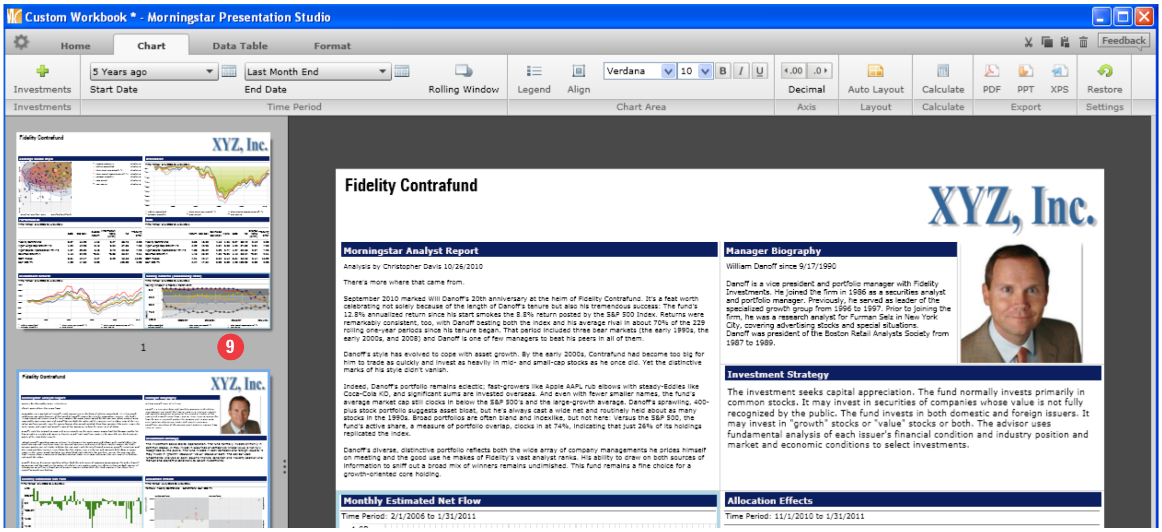
7. Select *Enter Text and Insert Image.*



8. Once you've completed your header and/or footer, do a right click and select *Apply to Workbook* to insert the header on to every page of your workbook.

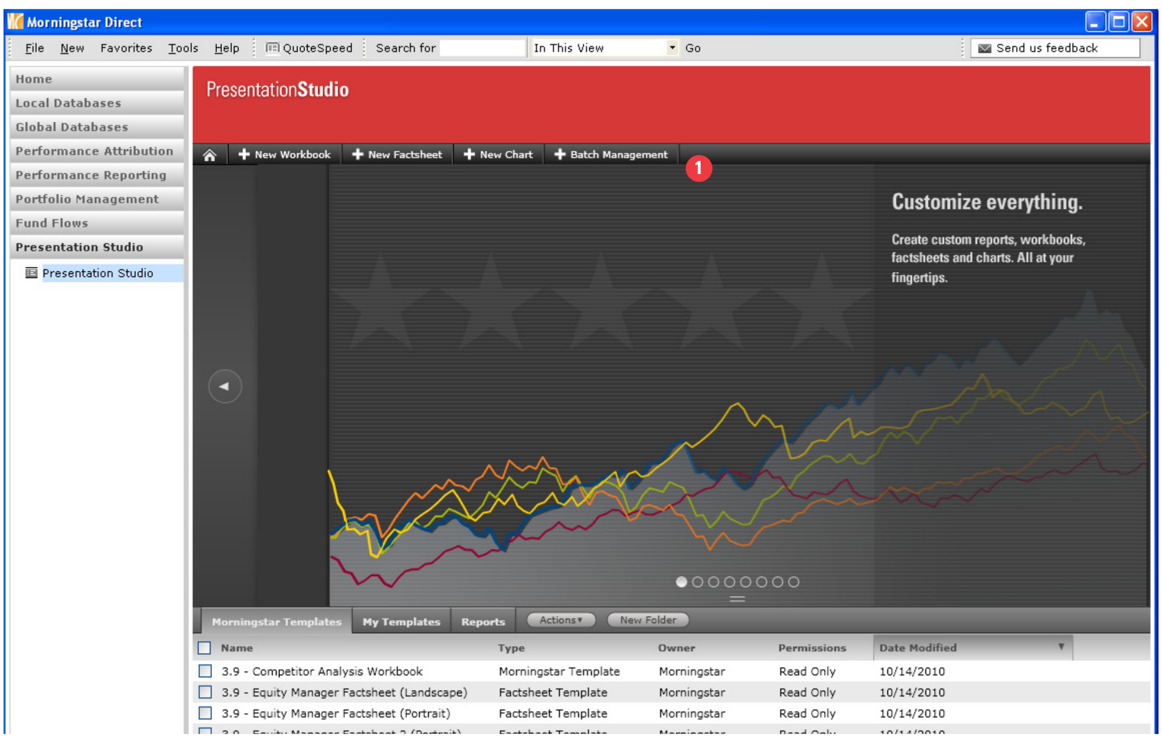


9. As you can see, the header is now applied to all pages of the workbook. If you are working on a factsheet, the same logic would apply.

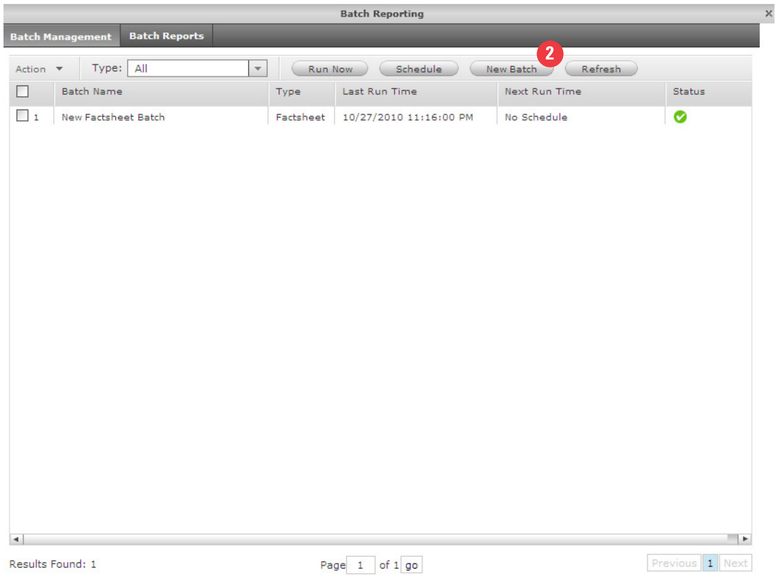


Automatically Run Factsheets using Batch Scheduling

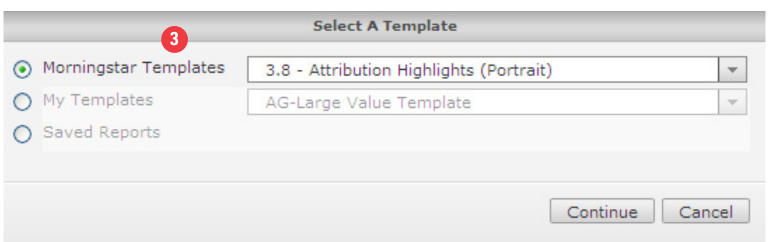
1. Batch Management allows you to run reports automatically based on your Morningstar Templates, your own templates, and saved reports. This section will go over how to create a new batch from factsheet template. Go to *Batch Management*.



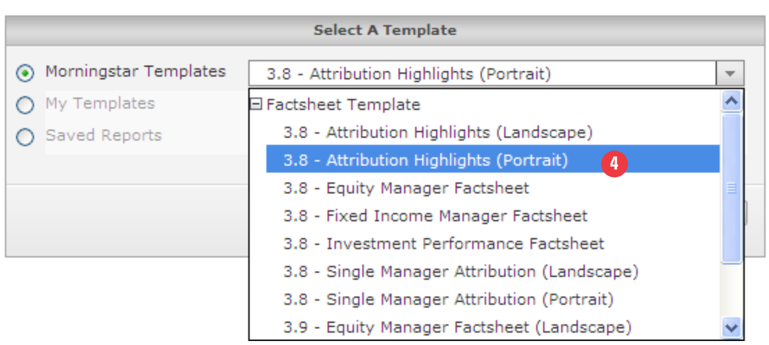
2. To create a new batch, click on *New Batch* and you will be taken to the Select a Template window.



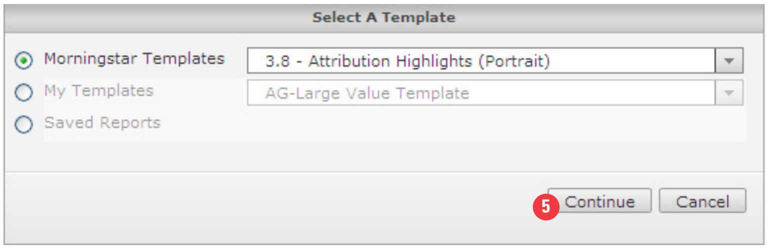
3. There are three workflows to create a new batch: Morningstar Template, My Templates, and Saved Reports. All templates are organized by Factsheet and Workbook type in selection drop down. We will maintain the default, *Morningstar Templates*.



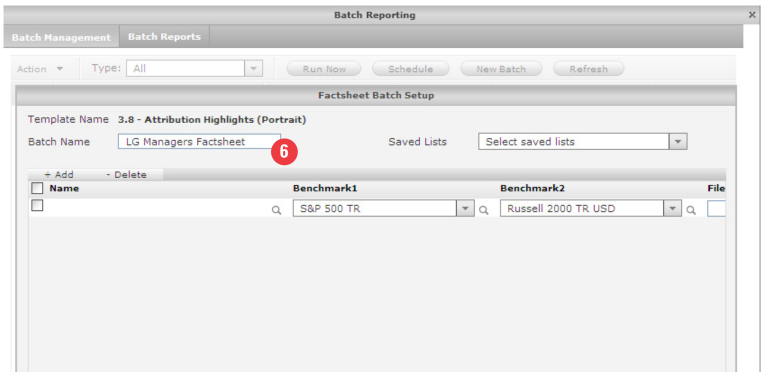
4. Go to the Morningstar Template drop down where you can set up a template on any of the choices. Select *3.8 – Attribution Highlights (Portrait)*.



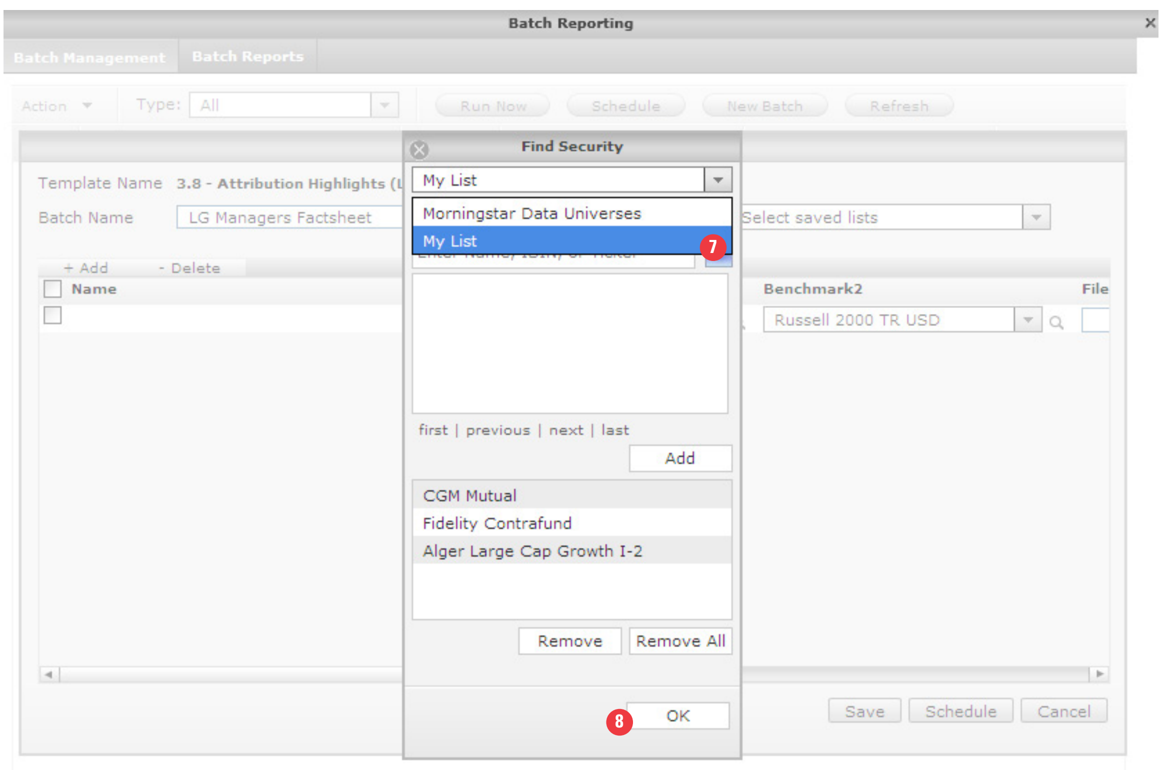
5. Click *Continue* and you will be taken to the Workbook Batch Setup window.



6. Input the *name* of your batch.

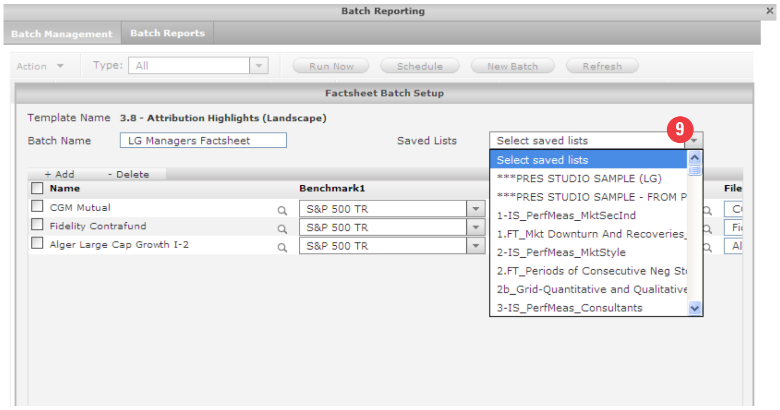


7. Next, go to +Add to be taken to the Find Security window to either load investments from the Morningstar Data Universes or from a saved list under My List. Click on *My List* to load your investments.

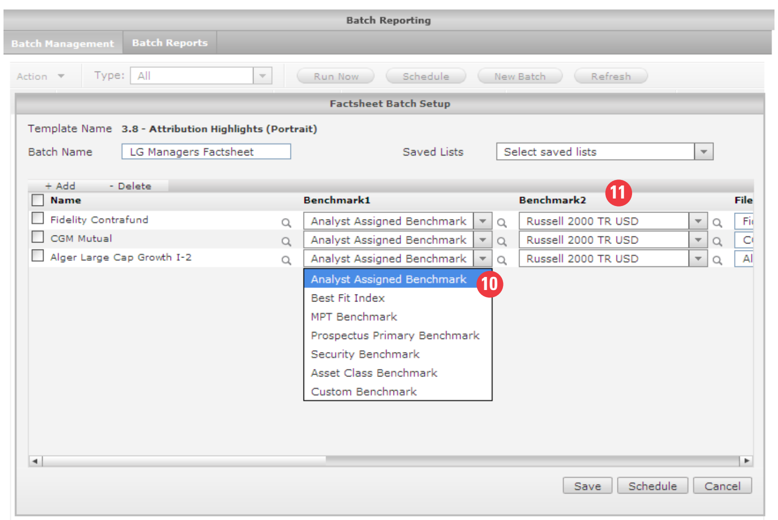


8. Once complete, click *OK* to add these names to your batch reporting. You can add up to 25 investments to schedule a batch.

9. You can also go to *Saved Lists* to load names from a saved investment list, similar to My List under the Find Security window.

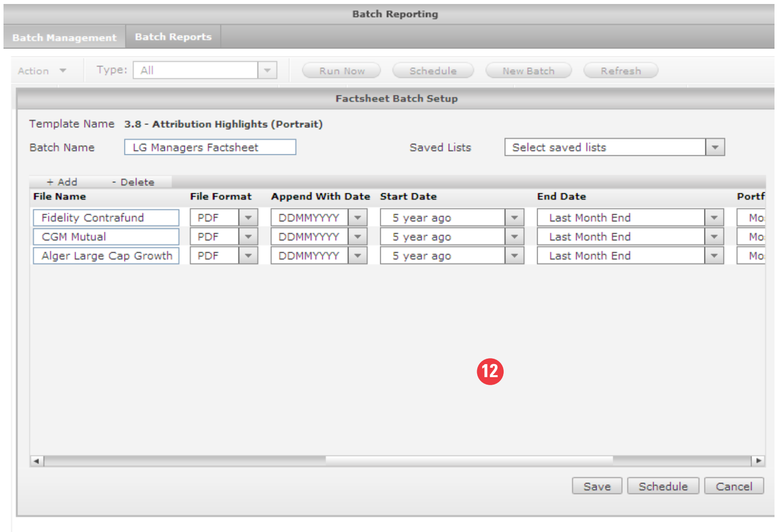


10. You will be taken back to the Factsheet Batch Setup window where your investments are now listed. Next, designate Benchmark 1 to each investment. Select *Analyst Assigned Benchmark* from the various choices.

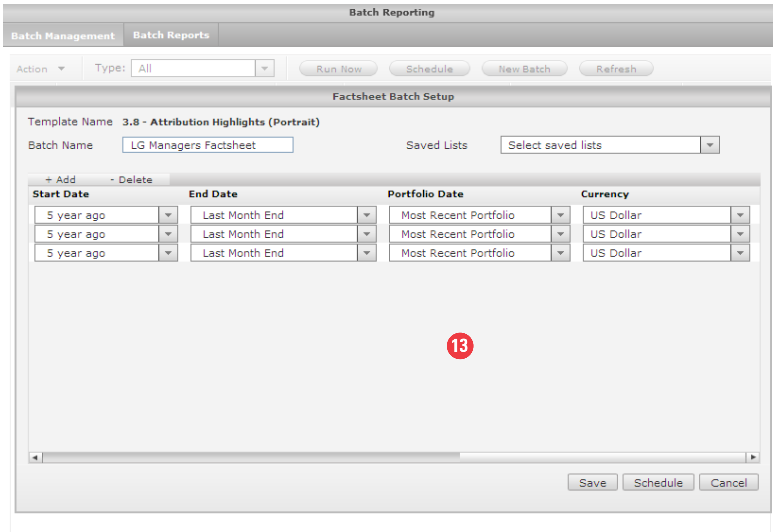


11. If your settings call for *benchmark 2*, you can also select a second benchmark.

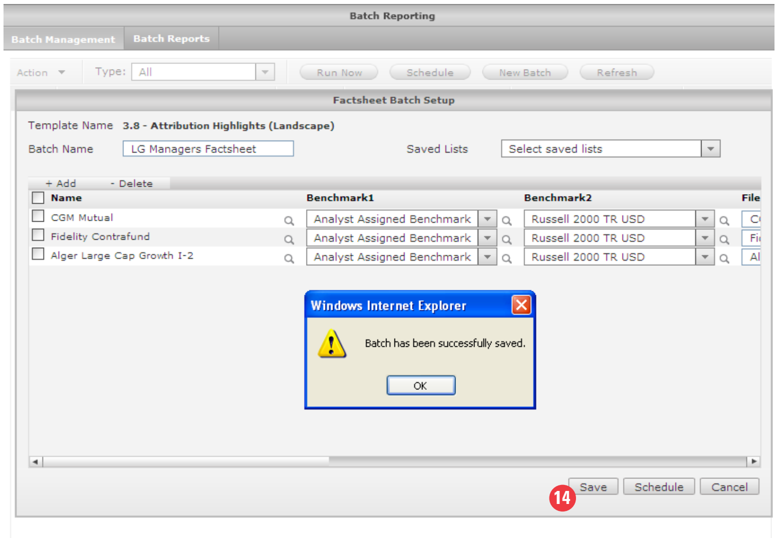
12. Move the scroll bar to the right where you can set up additional settings, such as File Name, File Format, Append With Date, Start Date and End Date. The default option is consistent with your Global Settings, but you can alter these settings at any time.



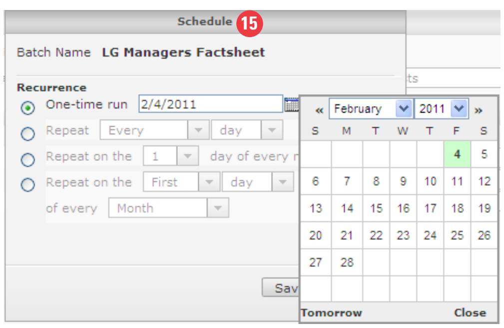
13. Continue to move to the right, where you have additional settings to customize such as Portfolio Date and Currency.



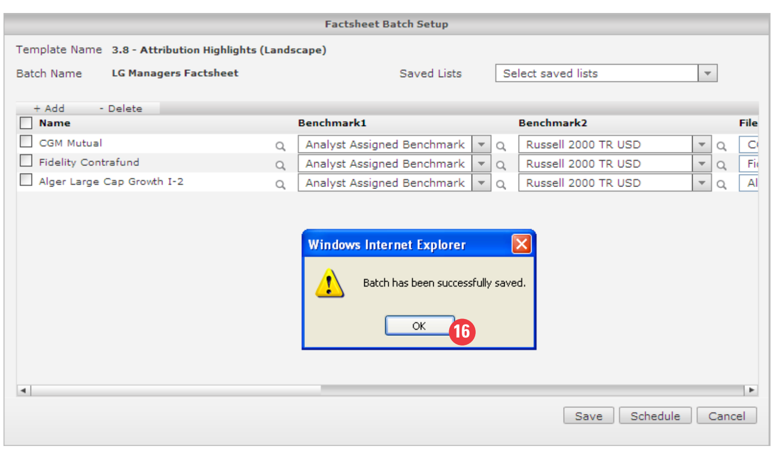
14. You can decide to schedule your batch now or click save to schedule later. Click *Save* to save this Batch and you see a pop-up indicating that you're Batch has been successfully saved.



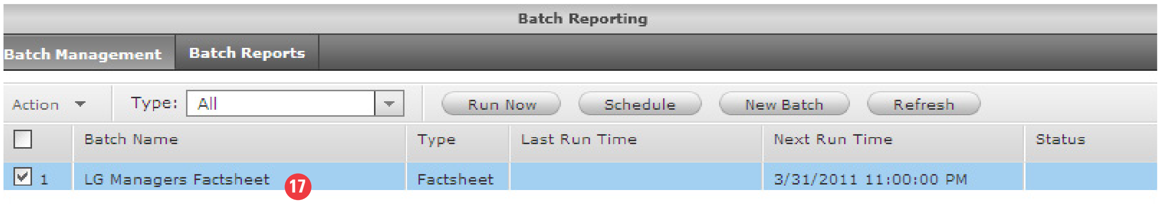
15. If you select *Schedule*, then continue to schedule your batch.



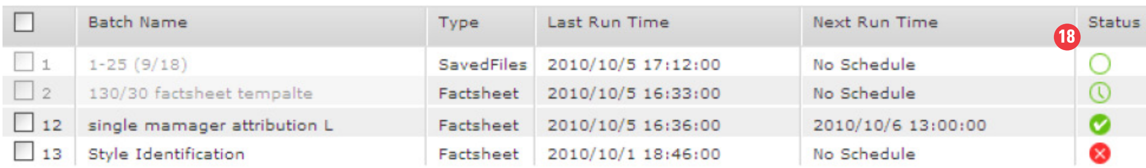
16. Once you've scheduled the batch, a pop-up will appear to indicate it was successfully saved. Click *OK*.



17. You've success completed creating a batch where it will be stored in the Batch Management folder. Once the batch runs, you can view it in the Batch Reports folder (see last section).



18. For every batch, you will see the *status* displayed on the last column.



Green circle indicates that this batch is being processed by server.

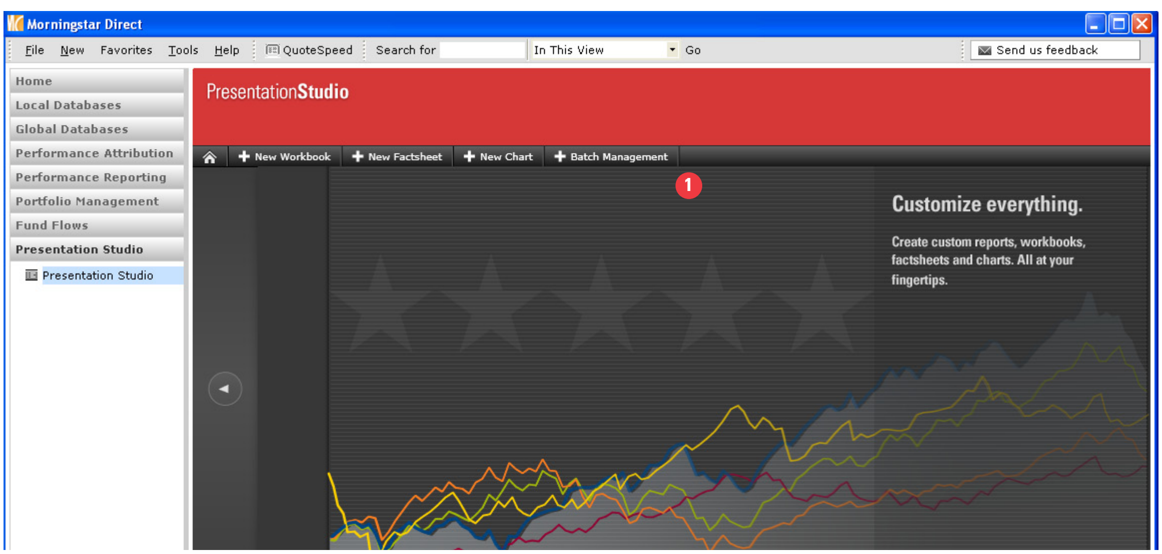
Green clock indicates that the calculation request of this batch has been submitted to server, and is waiting to be processed.

Green check indicates that this batch has been successfully processed by server.

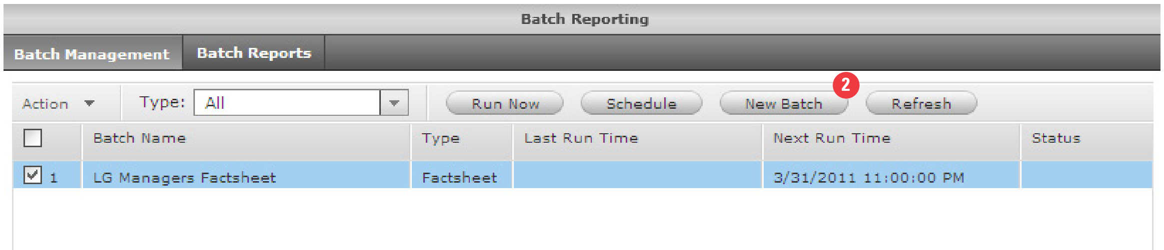
Red cross indicates that this batch has been processed by server, but some reports in this batch fail to be generated.

Automatically Run Workbooks using Batch Scheduling

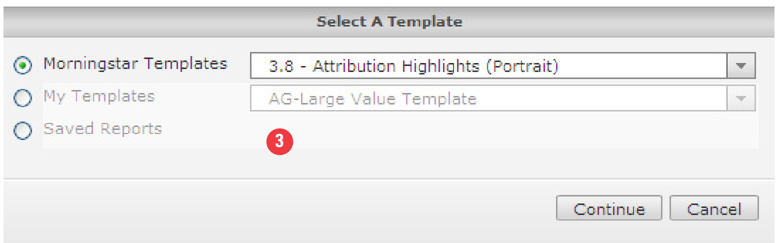
1. Batch Management allows you to run reports automatically based on your Morningstar Templates, your own templates, and saved reports. This section will go over how to create a new batch from workbook template. Go to *Batch Management*.



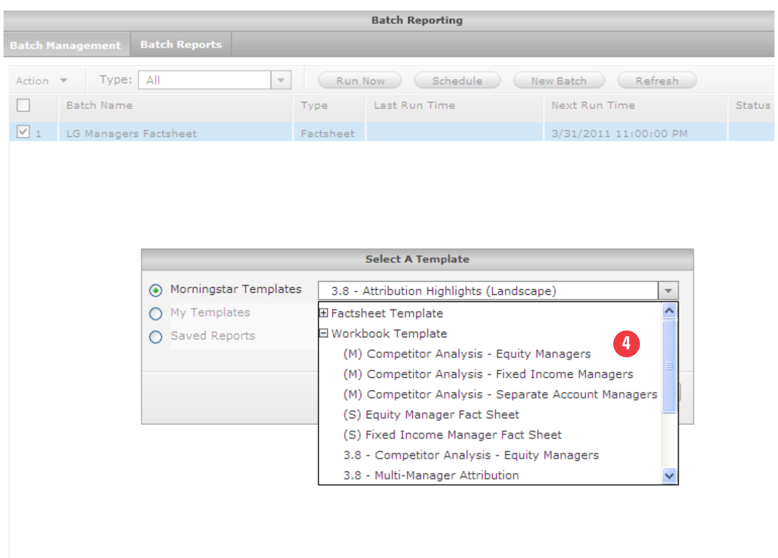
2. To create a new batch, click on *New Batch* and you will be taken to the Select a Template window.



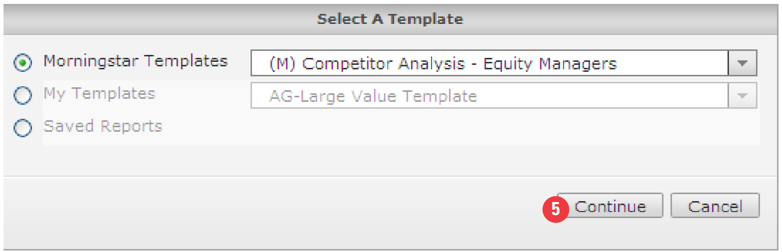
3. There are three workflows to create a new batch: Morningstar Template, My Templates, and Saved Reports. All templates are organized by Factsheet and Workbook type in selection drop down. We will maintain the default, *Morningstar Templates.*



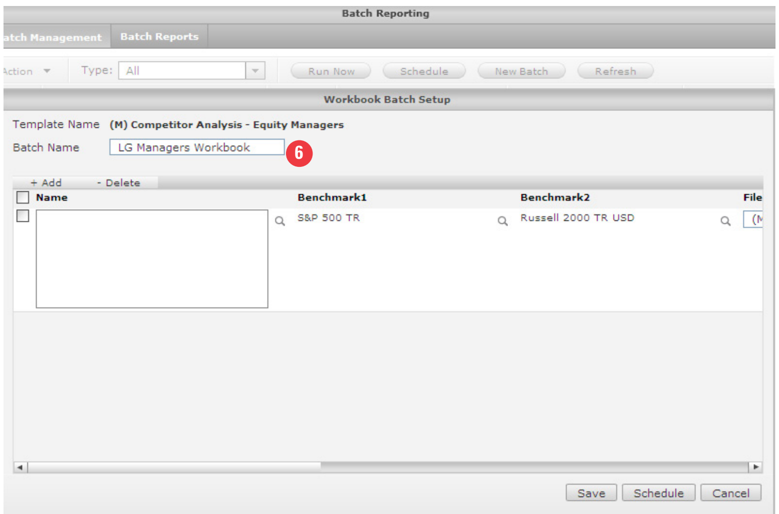
4. Go to the Morningstar Template drop down where you can set up a template on any of the choices. Select *(M) Competitive Analysis – Equity Managers.*



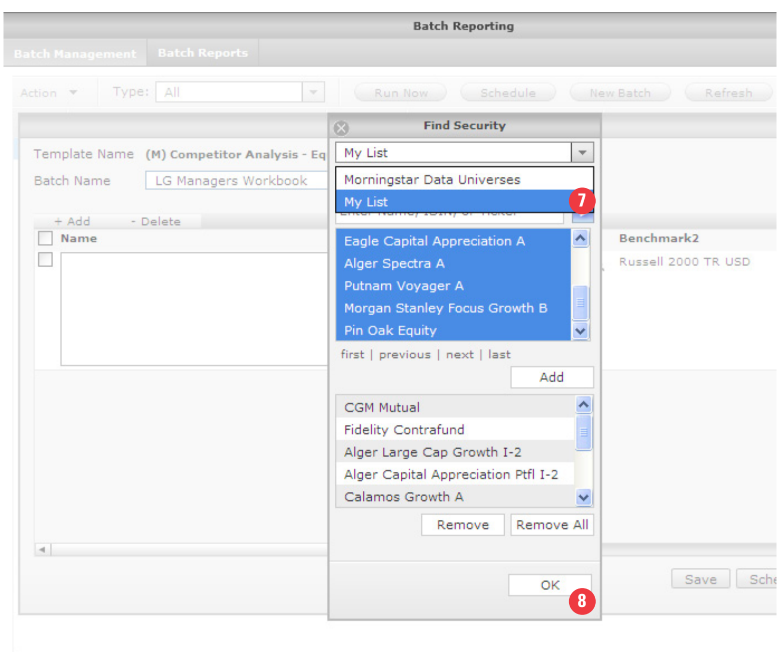
5. Click *Continue* and you will be taken to the Workbook Batch Setup window.



6. Input the *name* of your batch.

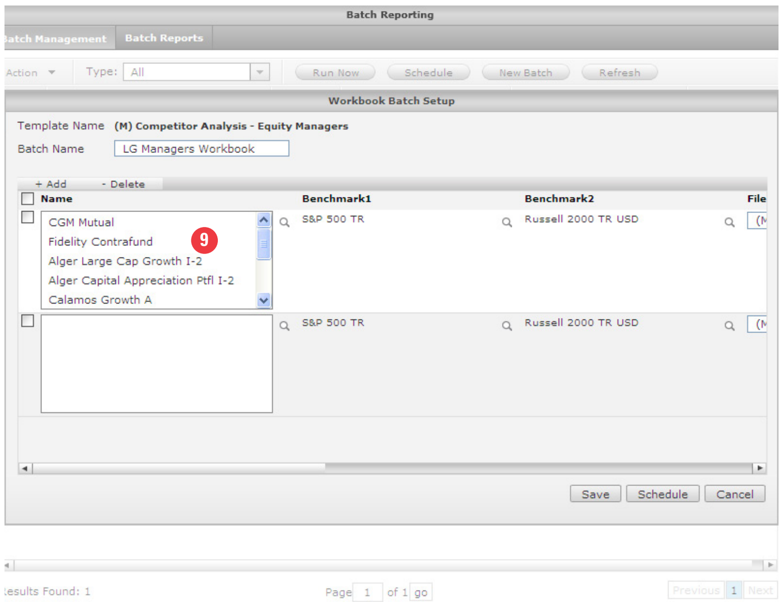


7. Next, go to +Add to be taken to the Find Security window either to load investments from the Morningstar Data Universes or from a saved list under My List. Click on *My List* to load your investments.

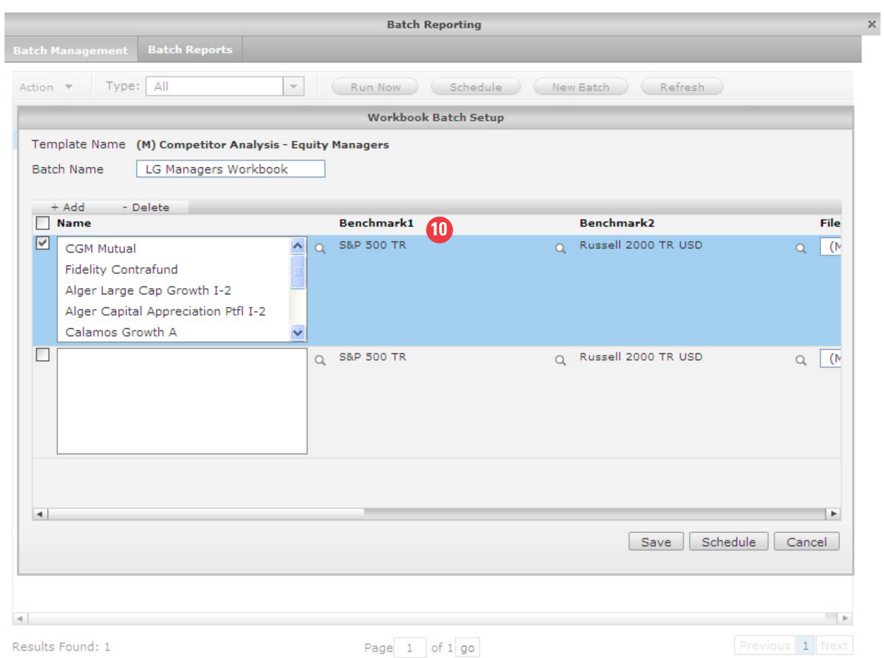


8. Once complete, click OK to add these names to your batch reporting.

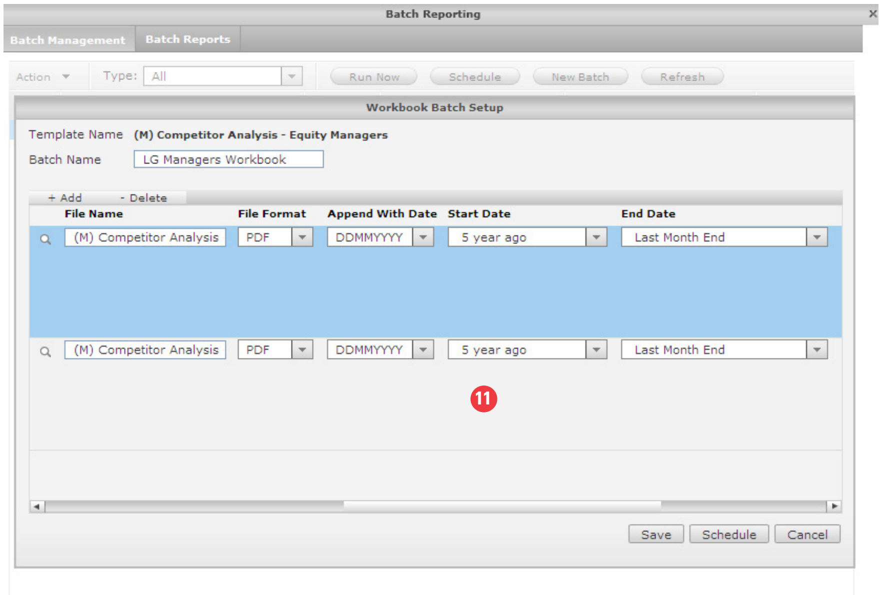
9. You will be taken back to the *Workbook Batch Setup* where you can continue to add a group of names to your Workbook by clicking on Add. In each box, you cannot have more than 15 names at a time to populate your workbook. The maximum number of groups to generate a batch at the same time is 25.



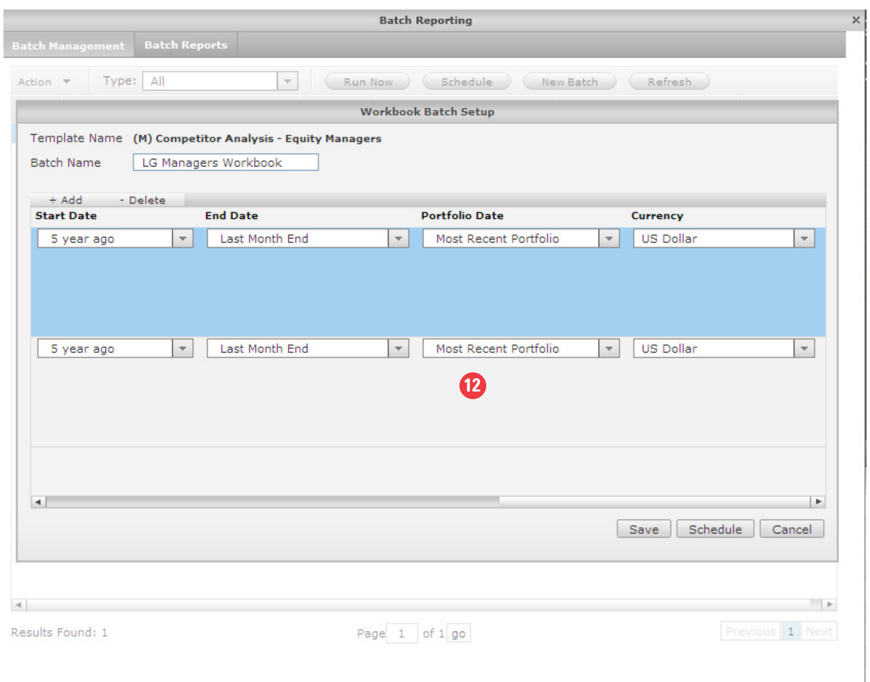
10. From here, select the appropriate benchmark. The default benchmark will be from your global settings. Benchmark 2 is also provided should you want to use as well.



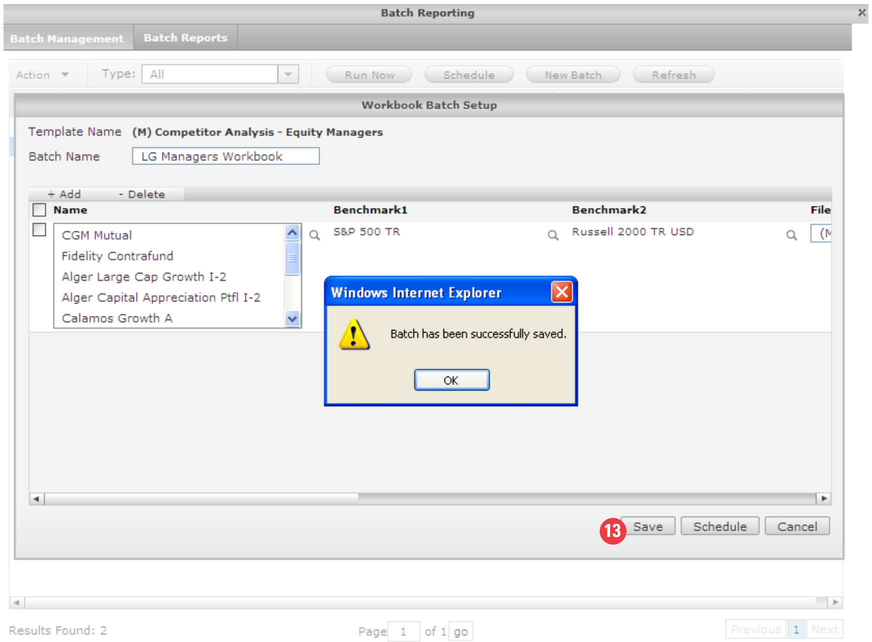
11. Move the scroll bar to the right where you can set up additional settings, such as File Name, File Format, Append With Date, Start Date and End Date.



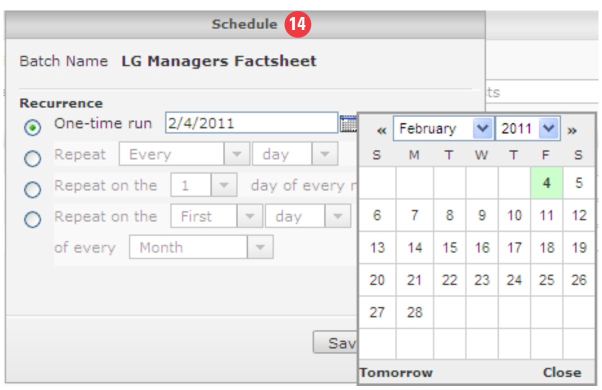
12. Continue to move to the right, where you have additional settings to customize such as Portfolio Date and Currency. The default option is consistent with your Global Settings.



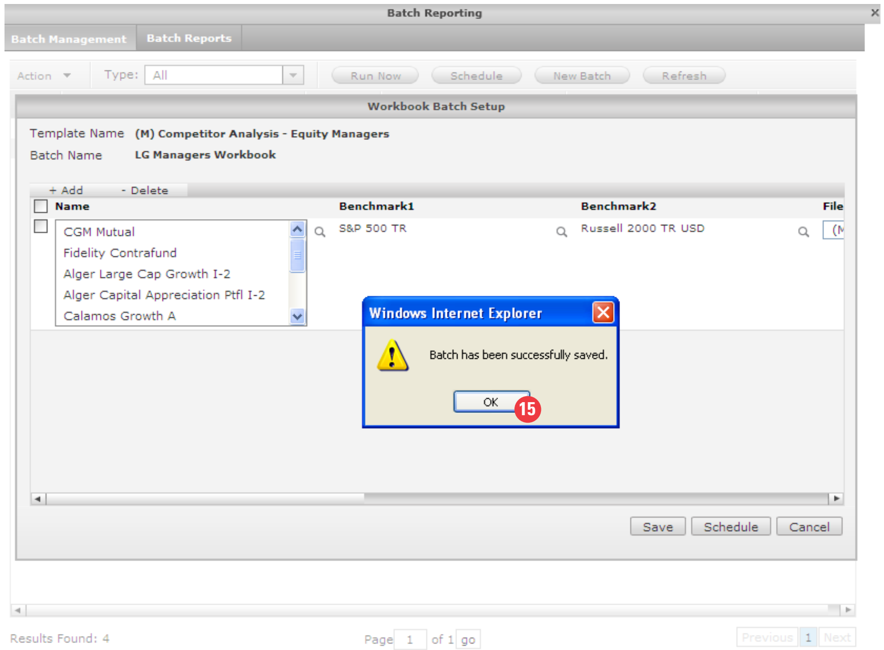
13. You can decide to schedule your batch now or click save to schedule later. Click *Save* to save this Batch and you see a pop-up indicating that you're Batch has been successfully saved.



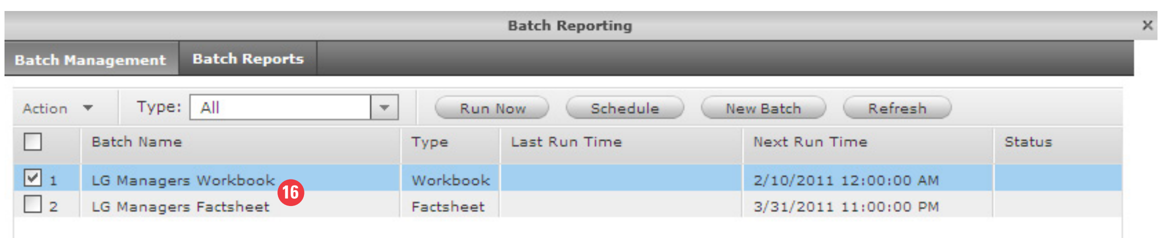
14. If you select *Schedule*, then continue to schedule your batch.



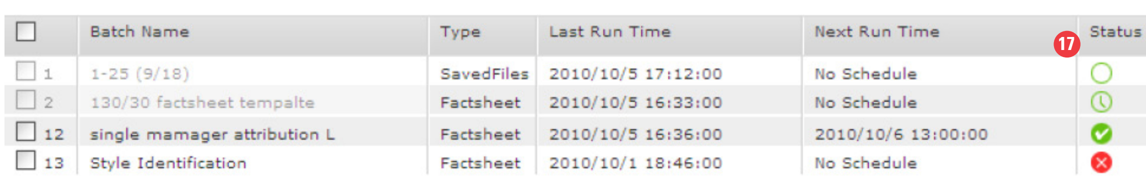
15. Once you've scheduled the batch, a pop-up will appear to indicate it was successfully saved. Click *OK*.



16. You've success completed creating a batch where it will be stored in the Batch Management folder. Once the batch runs, you can view it in the Batch Reports folder (see last section).



17. For every batch, you will see the status displayed on the last column.



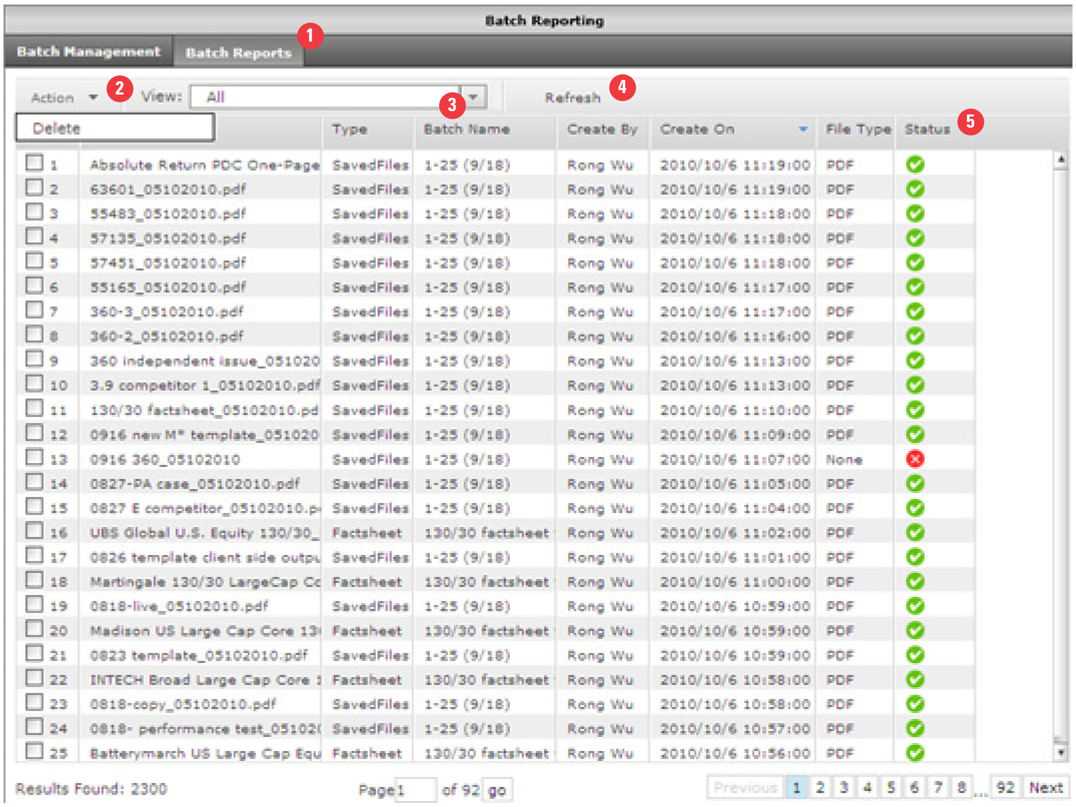
Green circle indicates that this batch is being processed by server.

Green clock indicates that the calculation request of this batch has been submitted to server, and is waiting to be processed.

Green check indicates that this batch has been successfully processed by server. Red cross indicates that this batch has been processed by server, but some reports in this batch fail to be generated.

View your Batch Results

1. Once your batches run, you can view them in *Batch Reports.* All reports are displayed in descending order of create time. By default, 25 reports are displayed in each page but you can toggle to the next page at the bottom right hand corner.



		Type	Batch Name	Create By	Create On	File Type	Status
1	Absolute Return PDC One-Page	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:19:00	PDF	
2	63601_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:19:00	PDF	
3	55483_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:18:00	PDF	
4	57135_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:18:00	PDF	
5	57451_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:18:00	PDF	
6	55165_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:17:00	PDF	
7	360-3_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:17:00	PDF	
8	360-2_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:16:00	PDF	
9	360 independent issue_051020	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:13:00	PDF	
10	3.9 competitor 1_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:13:00	PDF	
11	130/30 factsheet_05102010.pd	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:10:00	PDF	
12	0916 new M* template_051020	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:09:00	PDF	
13	0916 360_05102010	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:07:00	None	
14	0827-PA case_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:05:00	PDF	
15	0827 E competitor_05102010.p	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:04:00	PDF	
16	UBS Global U.S. Equity 130/30_	Factsheet	130/30 factsheet	Rong Wu	2010/10/6 11:02:00	PDF	
17	0826 template client side outpu	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 11:01:00	PDF	
18	Martingale 130/30 LargeCap Cc	Factsheet	130/30 factsheet	Rong Wu	2010/10/6 11:00:00	PDF	
19	0818-live_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 10:59:00	PDF	
20	Madison US Large Cap Core 13	Factsheet	130/30 factsheet	Rong Wu	2010/10/6 10:59:00	PDF	
21	0823 template_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 10:59:00	PDF	
22	INTECH Broad Large Cap Core 1	Factsheet	130/30 factsheet	Rong Wu	2010/10/6 10:58:00	PDF	
23	0818-copy_05102010.pdf	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 10:58:00	PDF	
24	0818- performance test_05102(	SavedFiles	1-25 (9/18)	Rong Wu	2010/10/6 10:57:00	PDF	
25	Batterymarch US Large Cap Equ	Factsheet	130/30 factsheet	Rong Wu	2010/10/6 10:56:00	PDF	

2. Go to the *Action* menu to delete specific reports you no longer have use for.

3. Go to the *View drop down* to filter reports according to selected batch.

4. Go to *Refresh* to refresh your data.

5. Go to *Status* to view the status of each report.

Scorecard

In the Performance Reporting folder you have access to the Scorecard which is used to assign weights and create custom criteria of quantitative and qualitative factors to calculate an overall score. Users can score investments based on either standardized values or custom grades. Standardized values converts raw data points to percentile ranks and applies user selected weights to those percentile ranks. These weighted percentile ranks are then aggregated to create the score for the investment. Custom grades allow users to define rules for data points and assign a numeric grades based on that criteria.

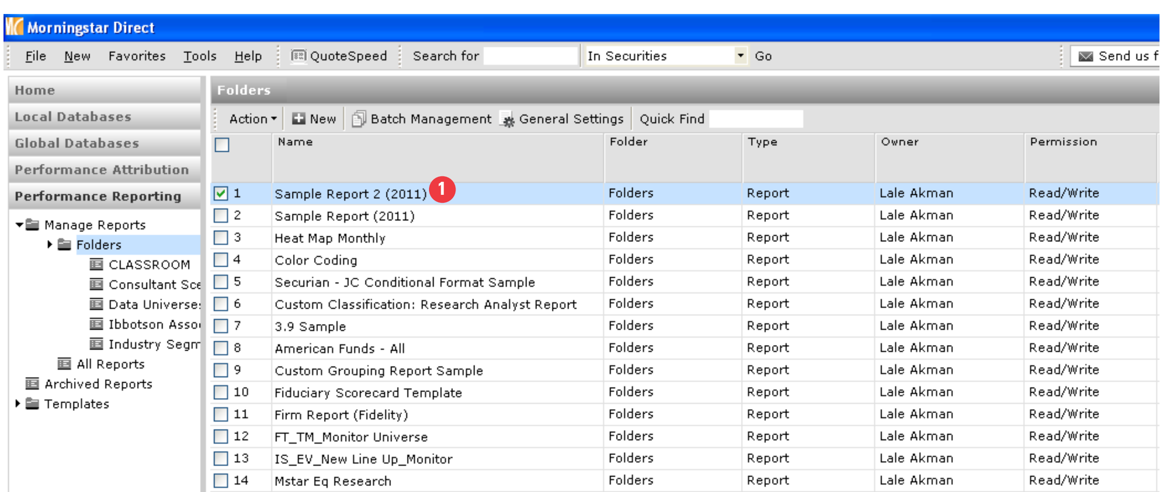
Outline:

Create a Scorecard with Standardized Values
Create a Scorecard with Custom Grades
Apply Simple and Conditional Formatting
Automatically Run Reports using Batch Scheduling
Send and Share Your Reports with other Morningstar Direct Subscribers

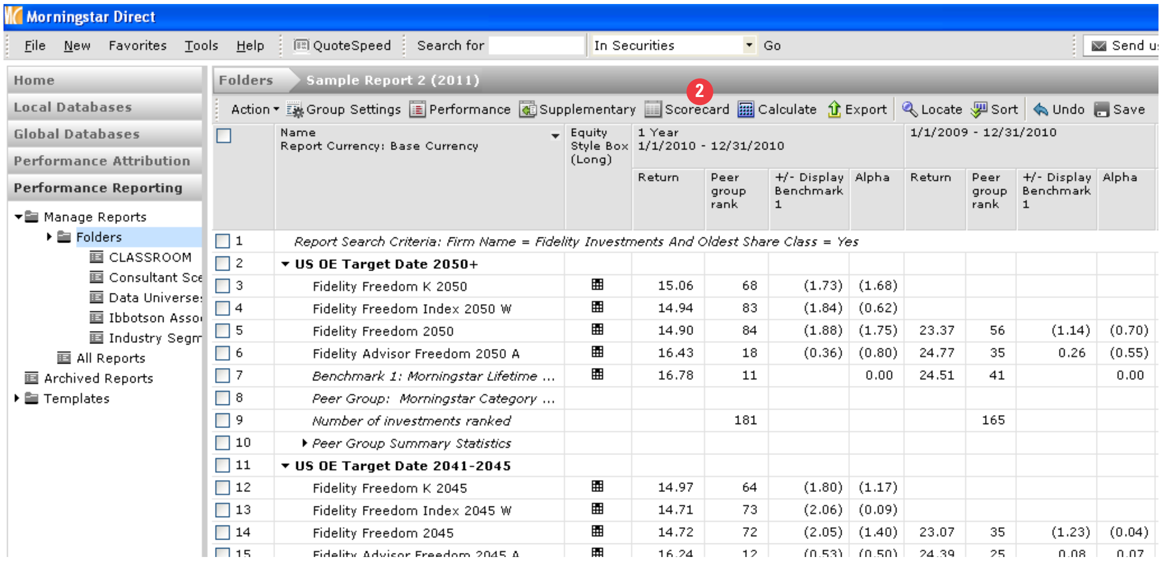
Create a Scorecard with Standardized Values

In this example, we will be adding a scorecard to an existing performance report, using standardized values. If you are building a new performance report, see the Performance Reporting chapter to learn how to build and customize your performance report.

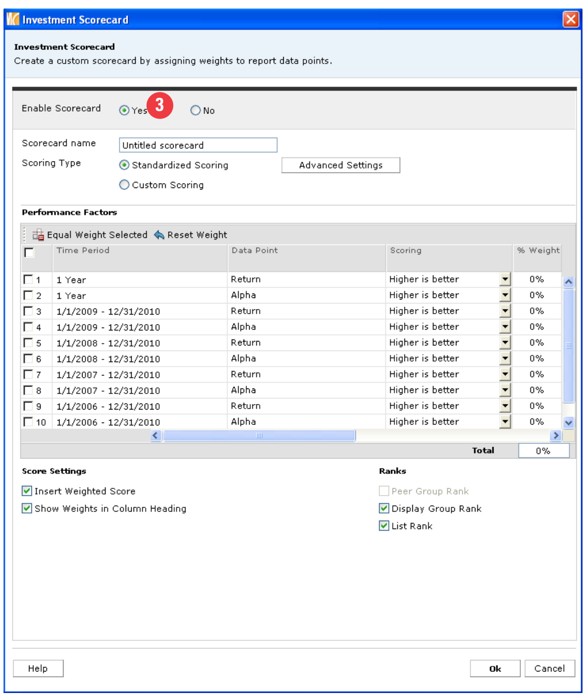
1. From the Performance Reporting folder, open an existing performance report located in the Manage Reports sub folder.



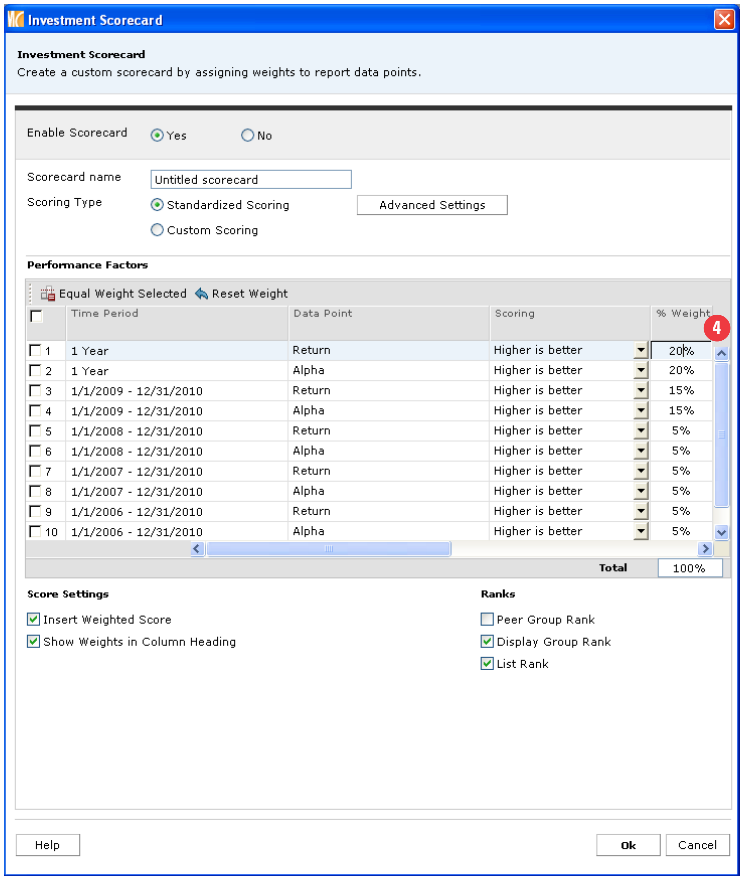
2. Click on *Scorecard*.



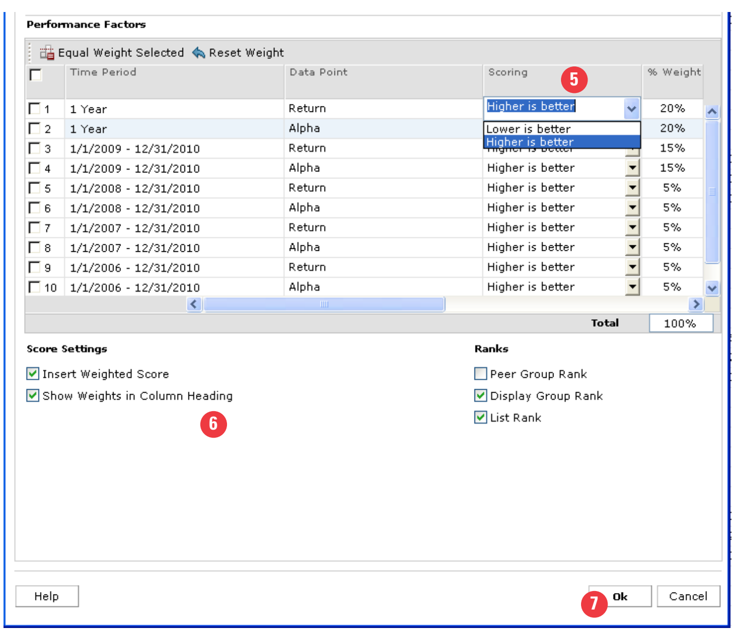
3. Enable the Scorecard by clicking *Yes*. Select from Percentile Ranks or Z-Score calculations in Advanced Settings.



4. Assign *Weights* to the data points. Weights must sum to 100%. If a data point is not to be used in the scorecard column, it can be kept at 0% weighting.



5. In the *Scoring* column, identify if higher number is good or bad.



6. Select preferred options for *Score and Rank Settings*.

7. Click *OK* and you will be taken back to the grid view.

8. The weights will be displayed in the column headings. Click *Calculate* to generate the Scorecard.

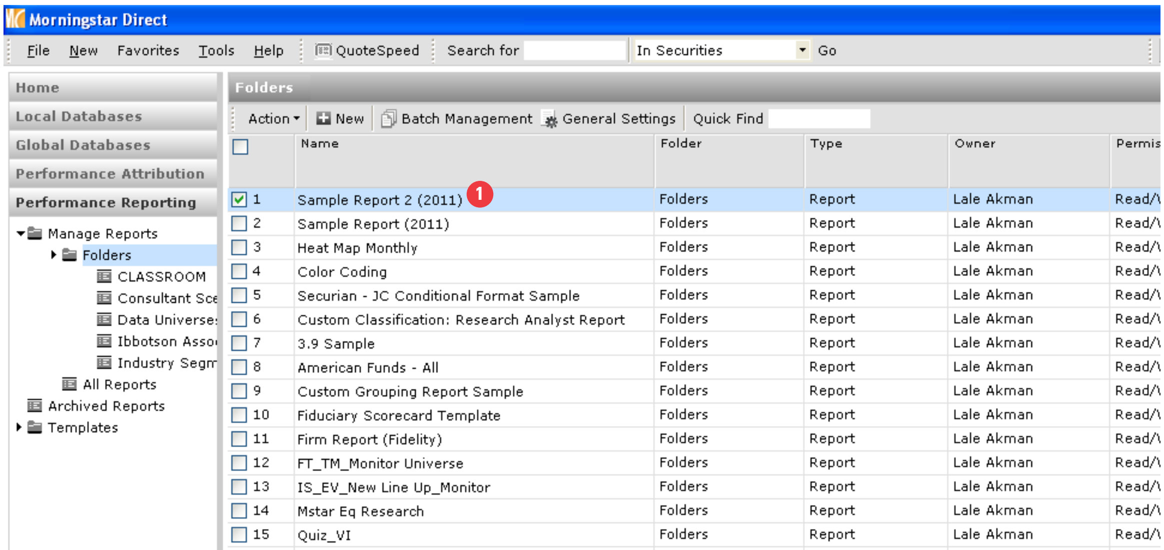
9. As you will notice, the *Weighted Score, Weighted Score Display Group Rank*, and *Weighted Score List Rank* are displayed.

Create a Scorecard with Custom Grades

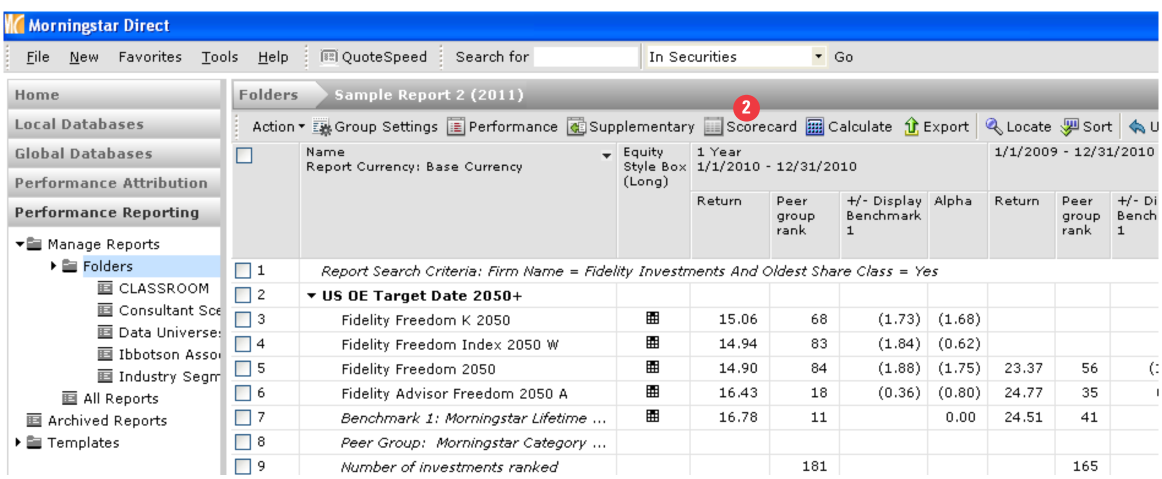
In this example, we will be adding a scorecard to an existing performance report, using custom grades. If you are building a new performance report, see the Performance Reporting chapter to learn how to build and customize your performance report.

Custom grades allow you to define rules for data points and assign numeric and text grades to determine the results. Grade columns can be added to the report for an individually graded data point, an aggregated grade for a time period, or an aggregated grade for an entire group.

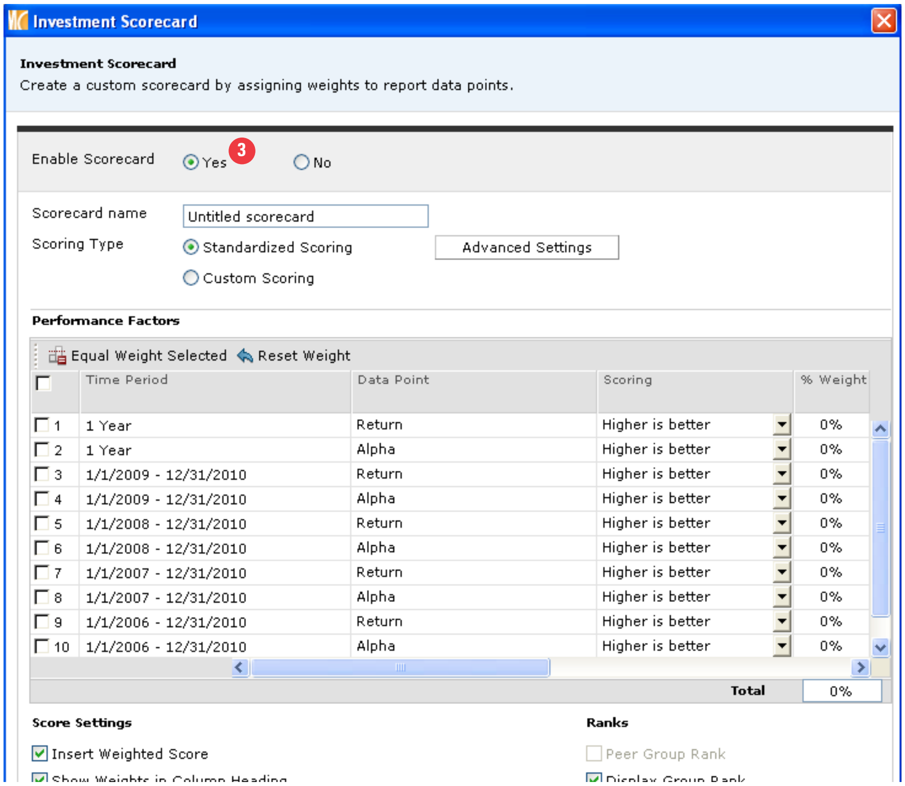
1. From the Performance Reporting folder, open an existing performance report located in the Manage Reports sub folder.



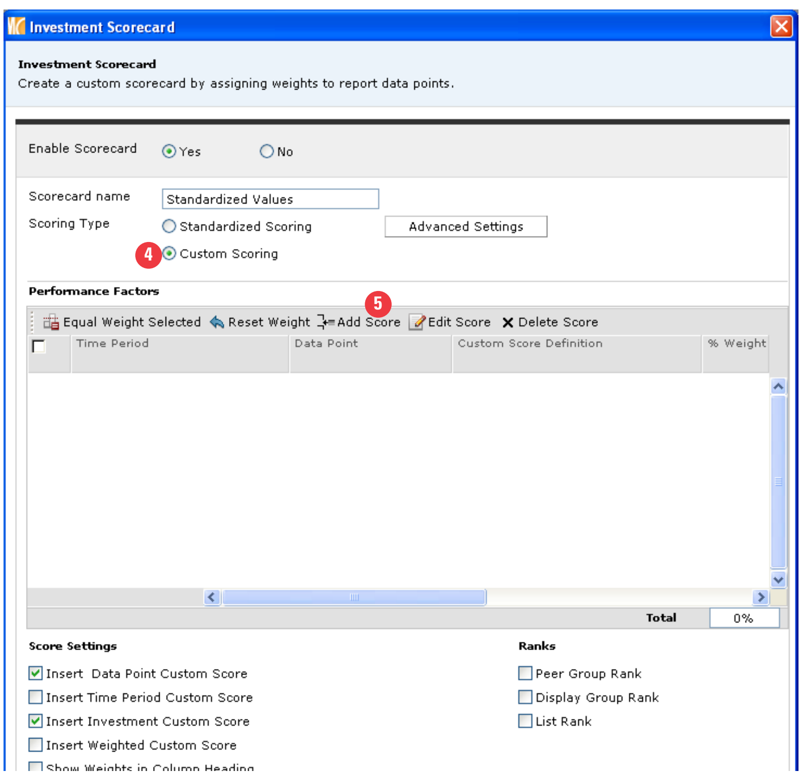
2. Click on *Scorecard* to be taken to the Custom Score Setting dialog box.



3. Enable the Scorecard by clicking *Yes*.

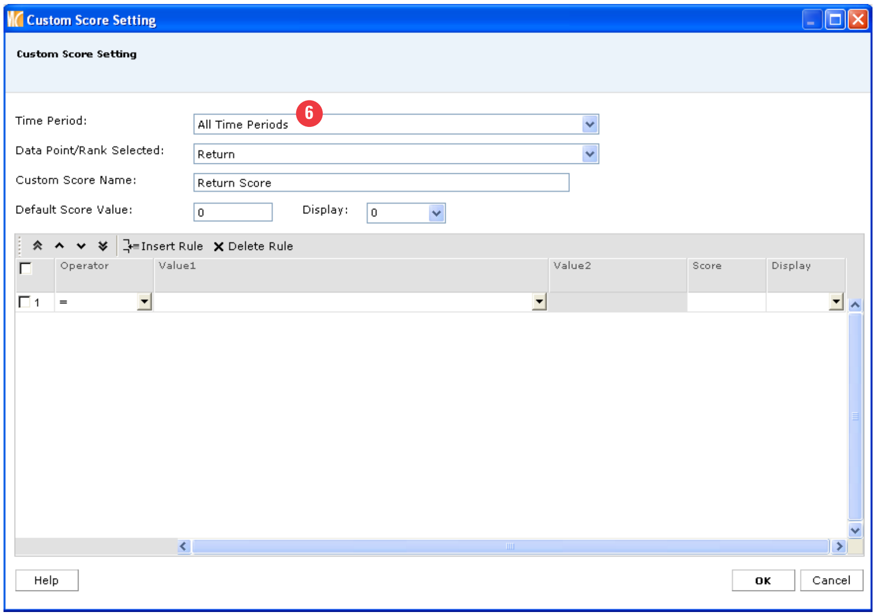


4. Click on the *Custom Scoring* radio button.

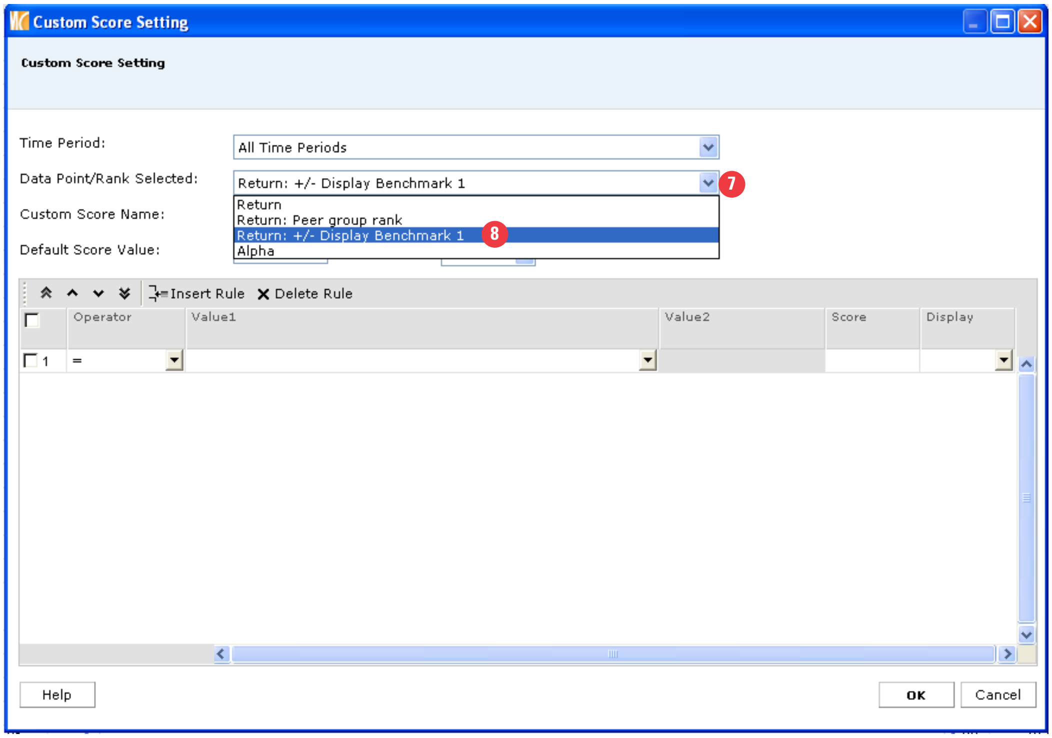


5. Click on *Add Score*.

6. The default is *All Time Periods* but you can create your rules for a specific time period.

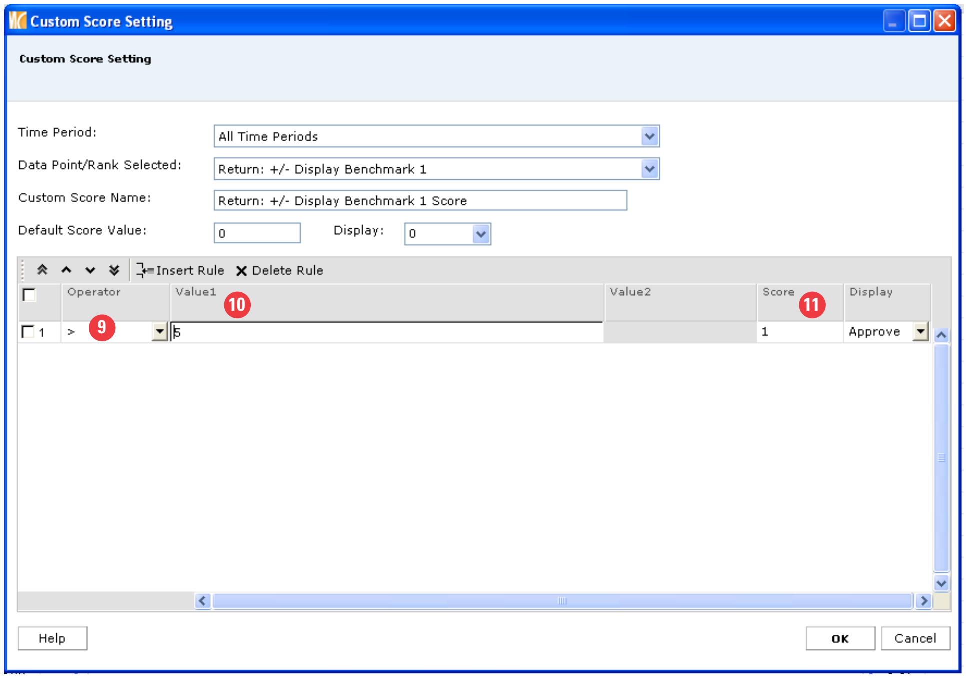


7. Go to Data Point/Rank Selected and click on the *drop down*.



8. Select *Return: +/- Display Benchmark 1*.

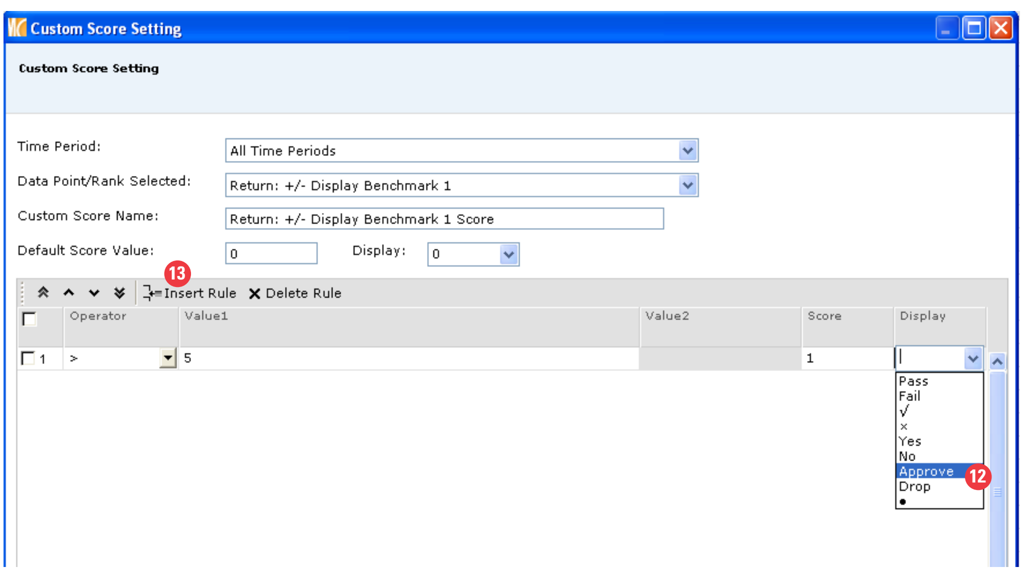
9. Go to the Operator drop down and select >.



10. Go the Value 1 column and type *5*.

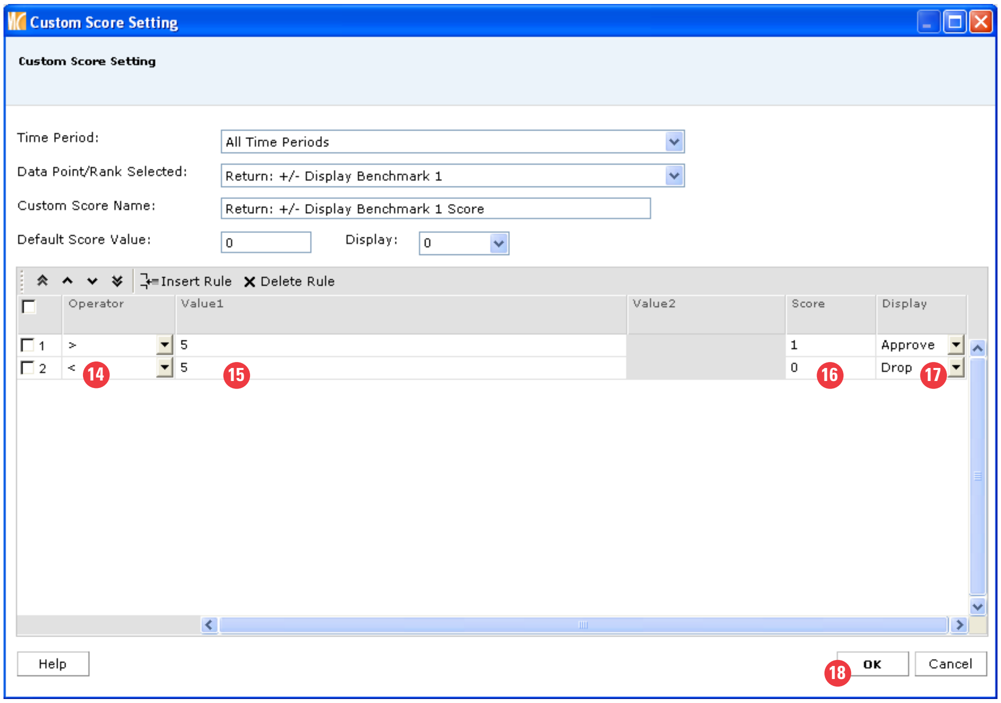
11. Go the Score column and type *1*.

12. Go to the Display drop down and select *Approve*.



13. Click on *Insert Rule* and proceed to add the second rule.

14. Go to the Operator drop down and select <.

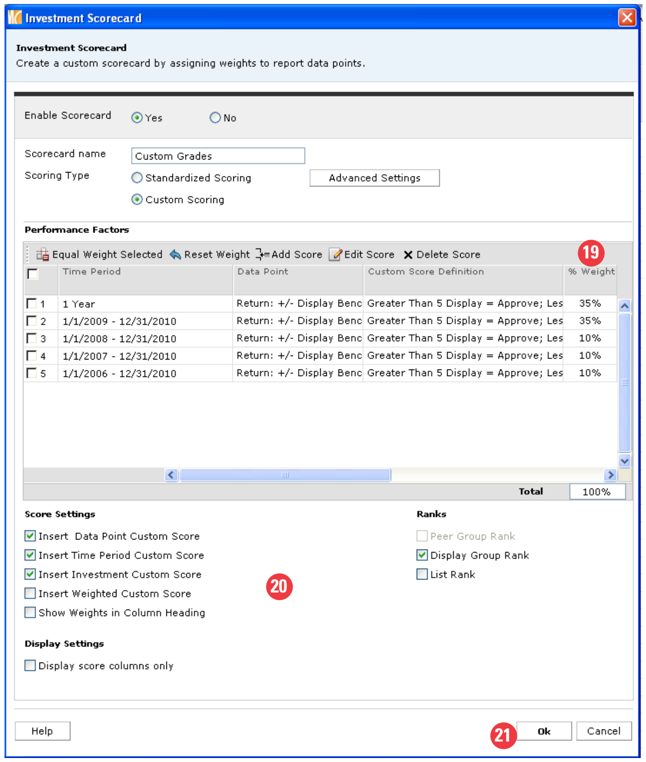


15. Go the Value 1 column and type *5*.

16. Go the Score column and type *0*.

17. Go to the Display drop down and select *Drop*.

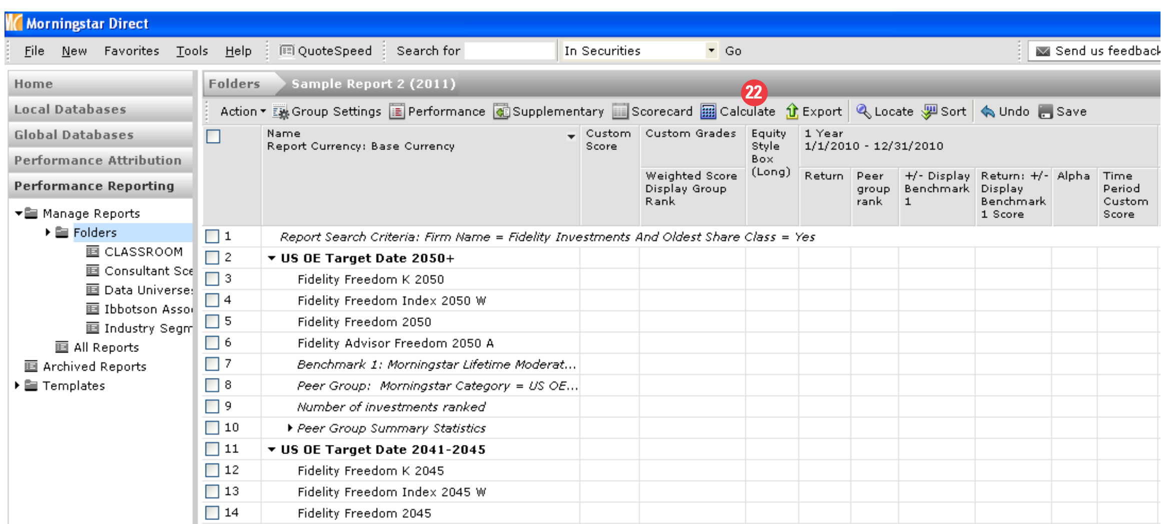
18. Click *Ok* and you will be taken back to the Investment Scorecard dialog box.



19. You can also proceed to *% Weights* column to apply specific weights to each rule.

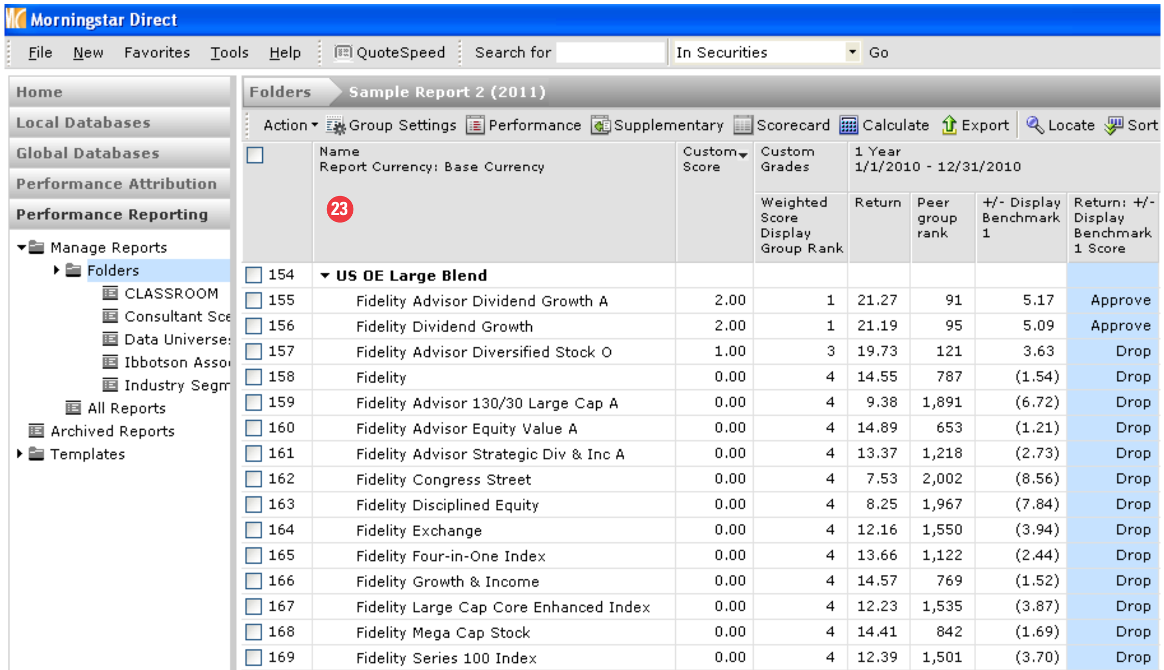
20. Check the desired *Score and Display Settings*. You can also activate specific Ranks.

21. Click *OK* and you will be taken back to the grid view.



22. Click *Calculate* to generate the Scorecard with Custom Grades.

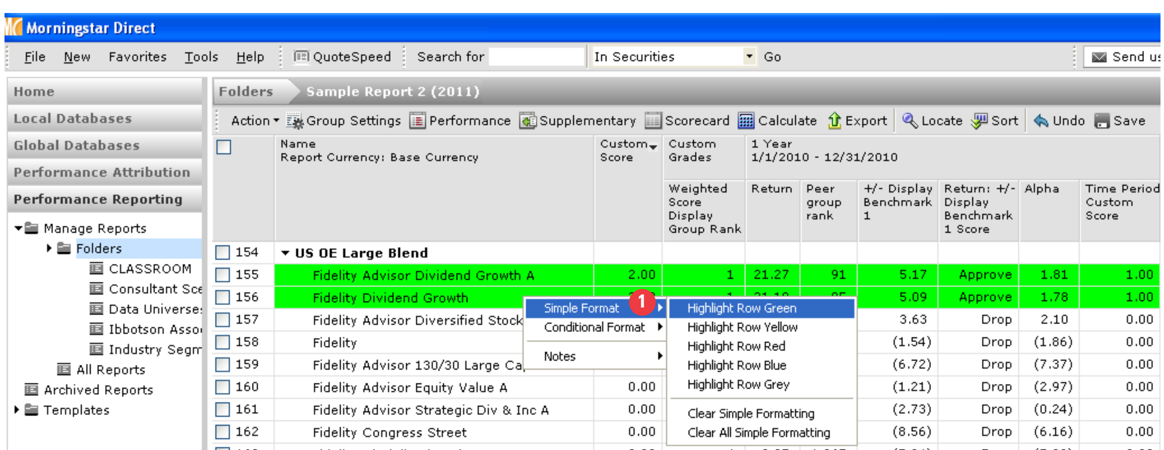
23. You've successfully completed creating a Scorecard report.



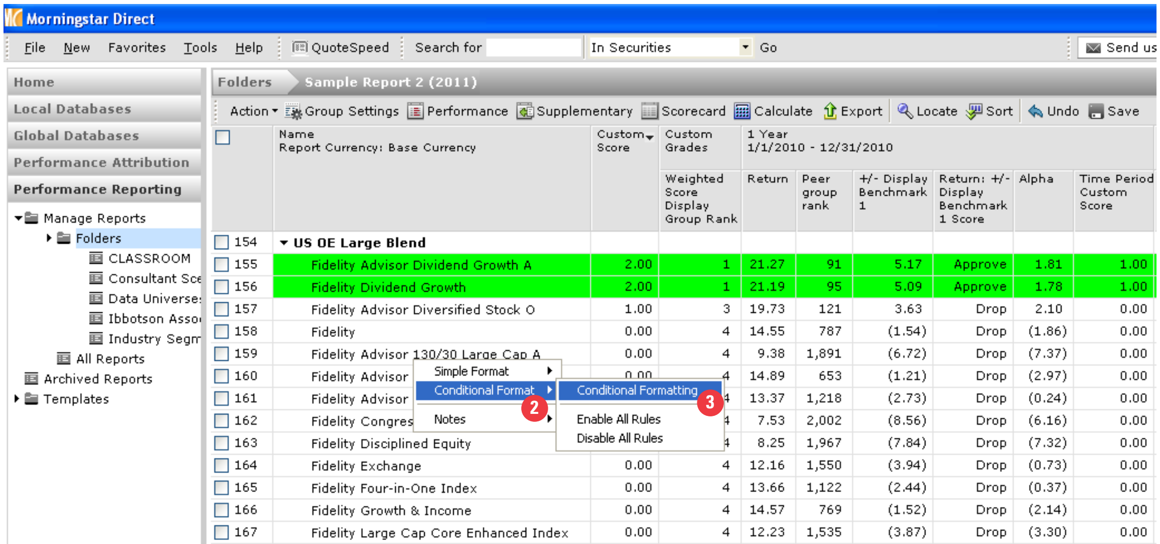
Apply Simple and Conditional Formatting

Simple and Conditional Formatting gives you the ability to distinguish specific investments from others. Simple Formatting allows you to select each investment and highlight it whereas Conditional Formatting allows you to set up a search and highlight those investments that meet the criteria.

1. Open an existing scorecard report. While right-clicking on an investment, select *Simple Format* to highlight a row with a specific color.

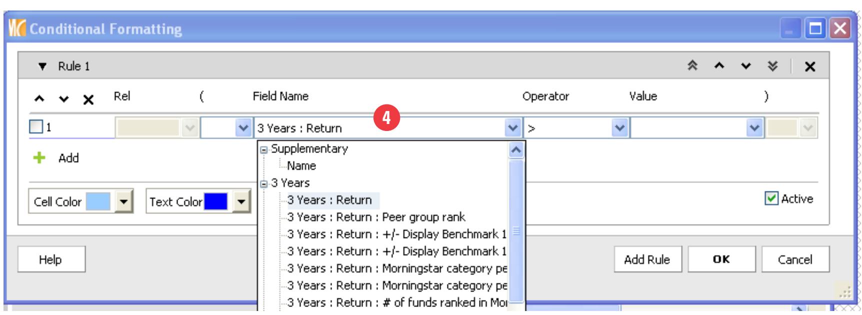


2. Next, right click anywhere on the grid view to select *Conditional Format*.

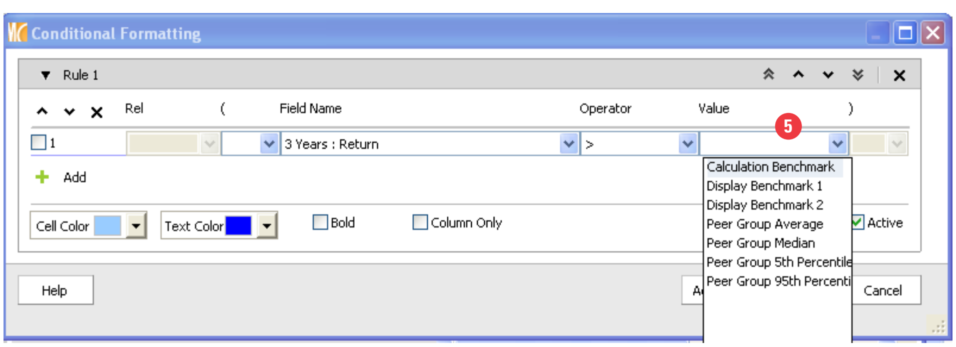


3. Select *Conditional Formatting* and you will be taken to the *Conditional Formatting* dialog box to create your rules.

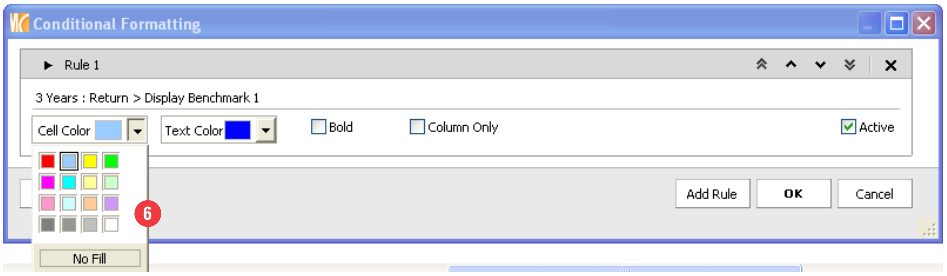
4. You can create as many rules as you want with conditional formatting. Go to the *Field Name* drop down and start creating your rules.



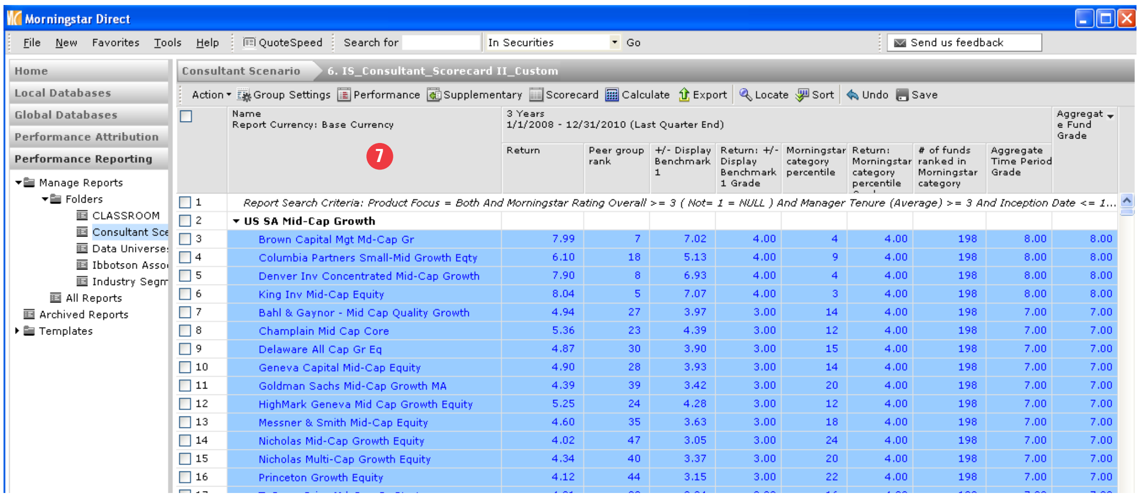
5. Go to the *Value* drop down to create a rule relative to benchmarks or peer groups.



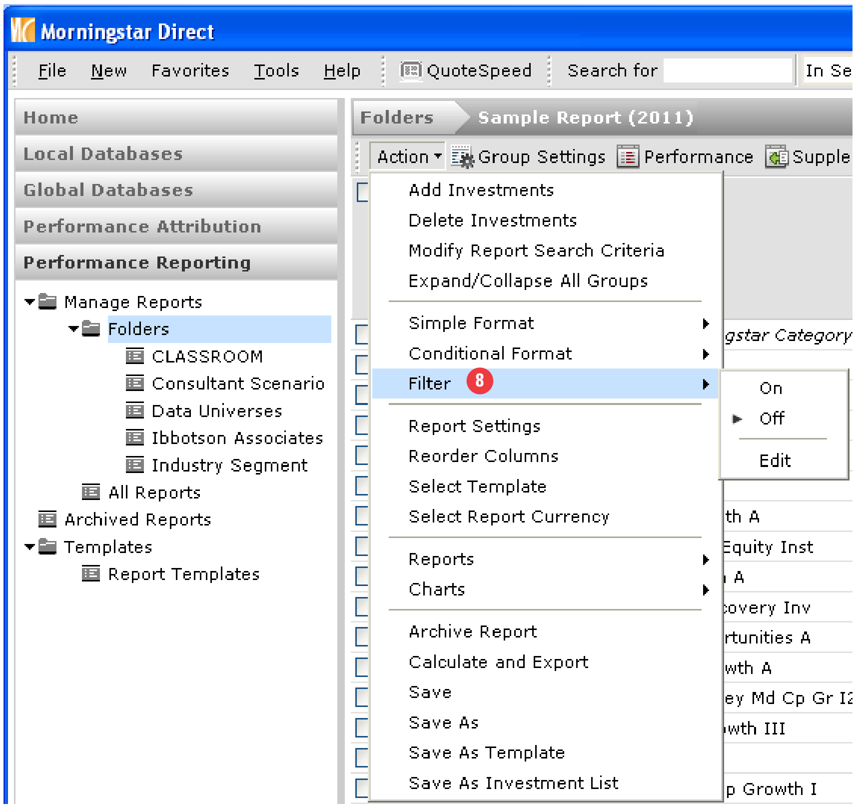
6. Once you've completed creating your rule, identify the Cell Color and Text Color to highlight the results.



7. You've successfully applied conditional formatting to view your results.

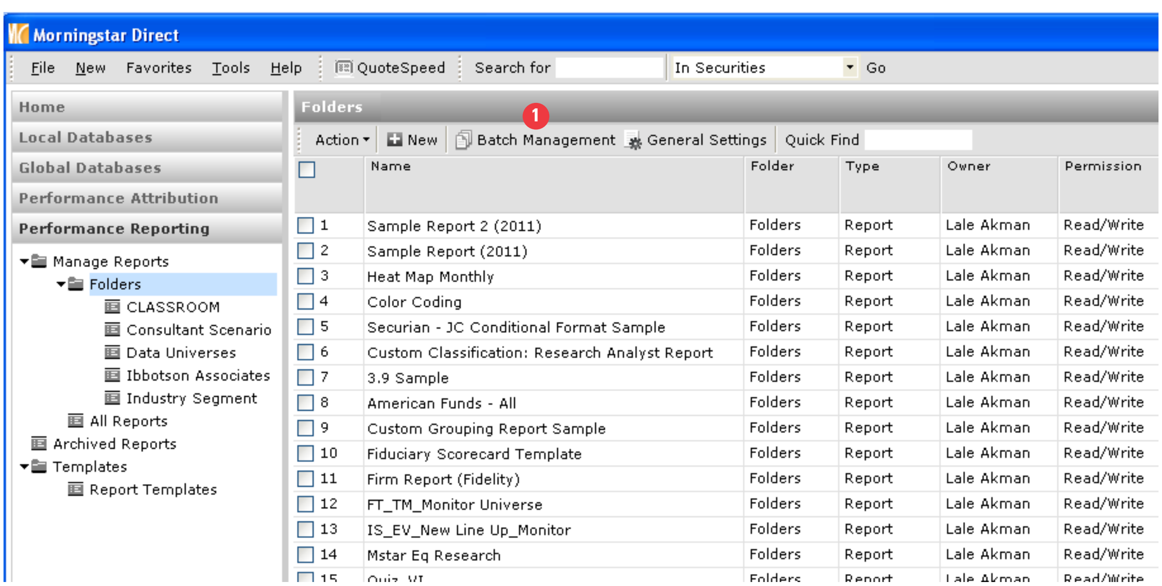


8. You can also go to Actions to *Filter* your results by only displaying the highlighted results and hiding everything else that doesn't apply.

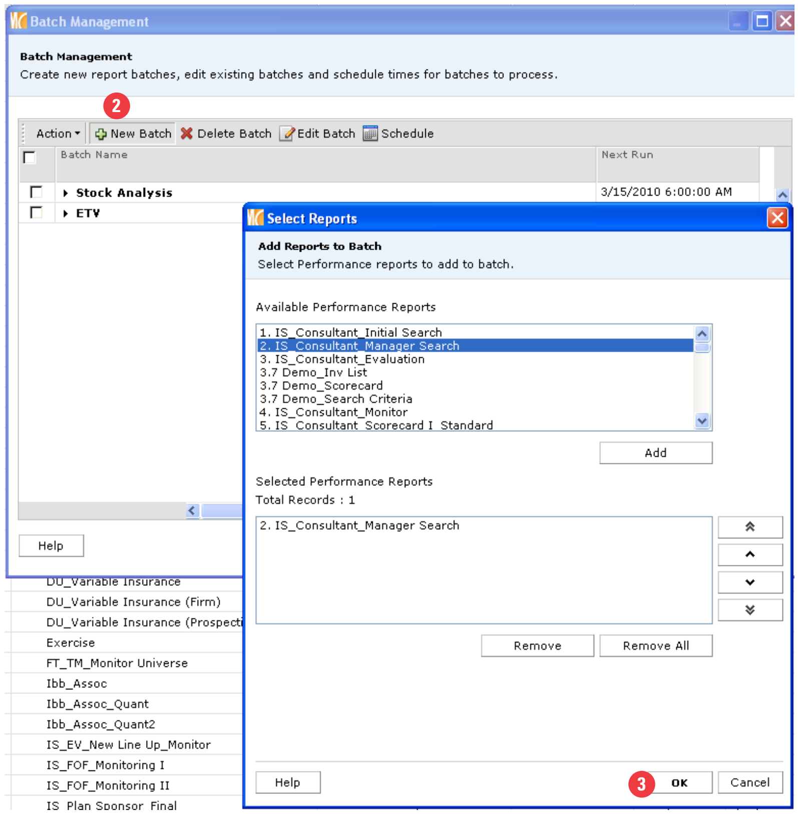


Automatically Run Reports using Batch Scheduling

1. Once you create your report, you can schedule a batch to run the report automatically. Click on *Batch Management*.

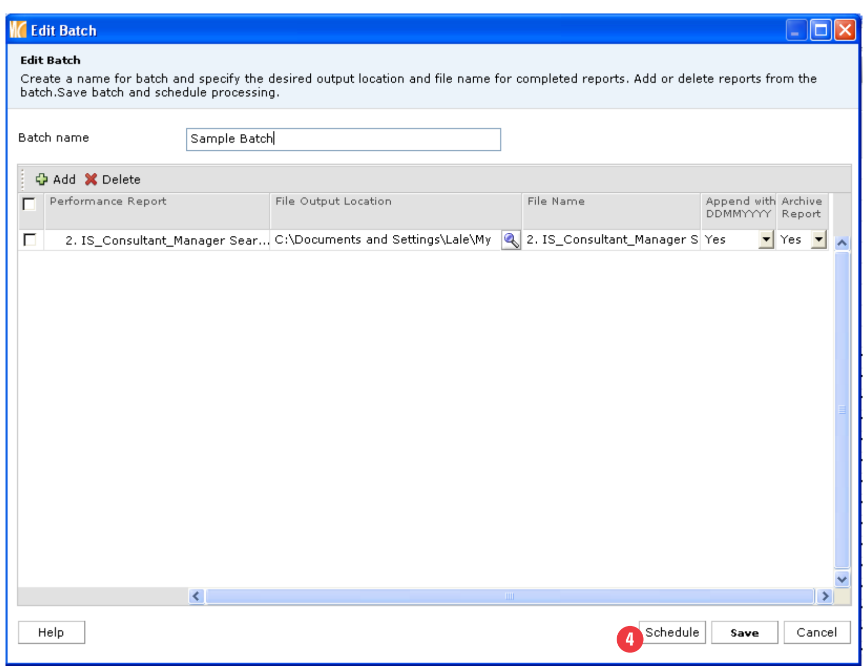


2. Select *New Batch*.

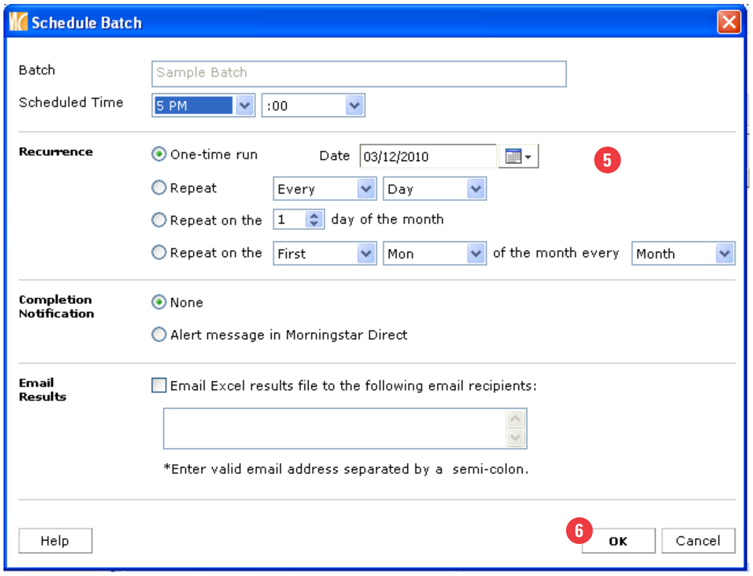


3. Select the desired report(s) and click *OK* to be taken to the Edit Batch dialog box.

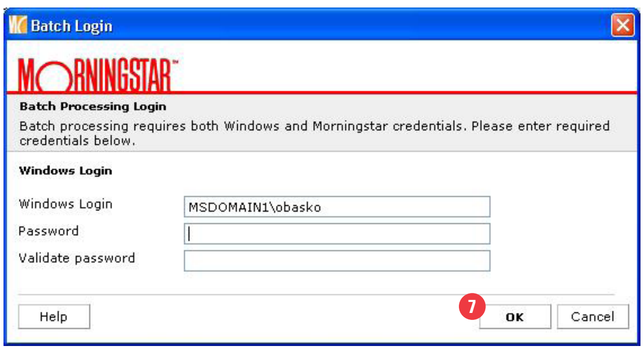
4. Once you've determined your file locations and other settings, click *Schedule*.



5. Set your settings in the Schedule Batch window.

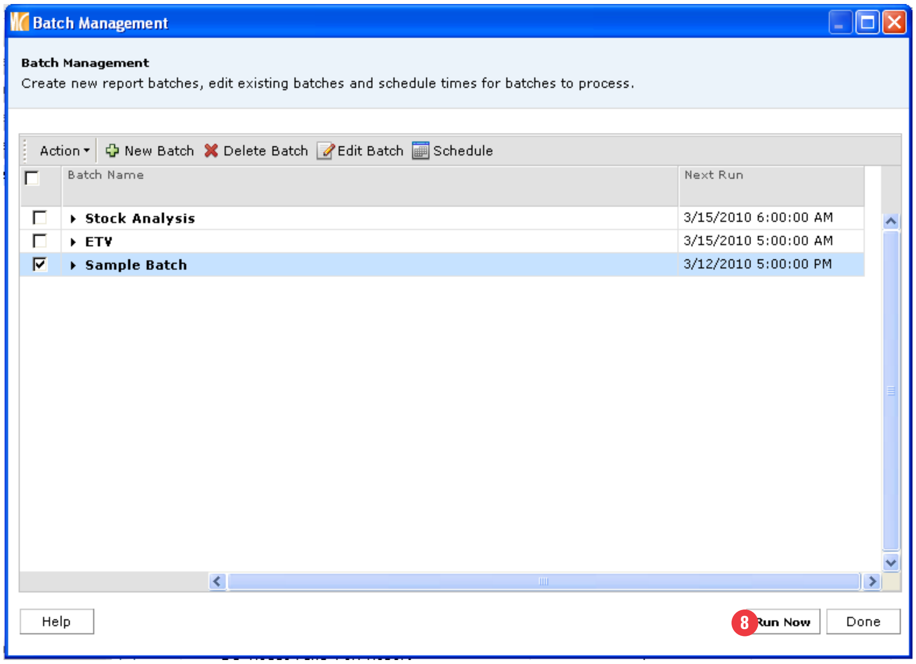


6. Click *OK* and you will be taken to the Batch Login dialog box.



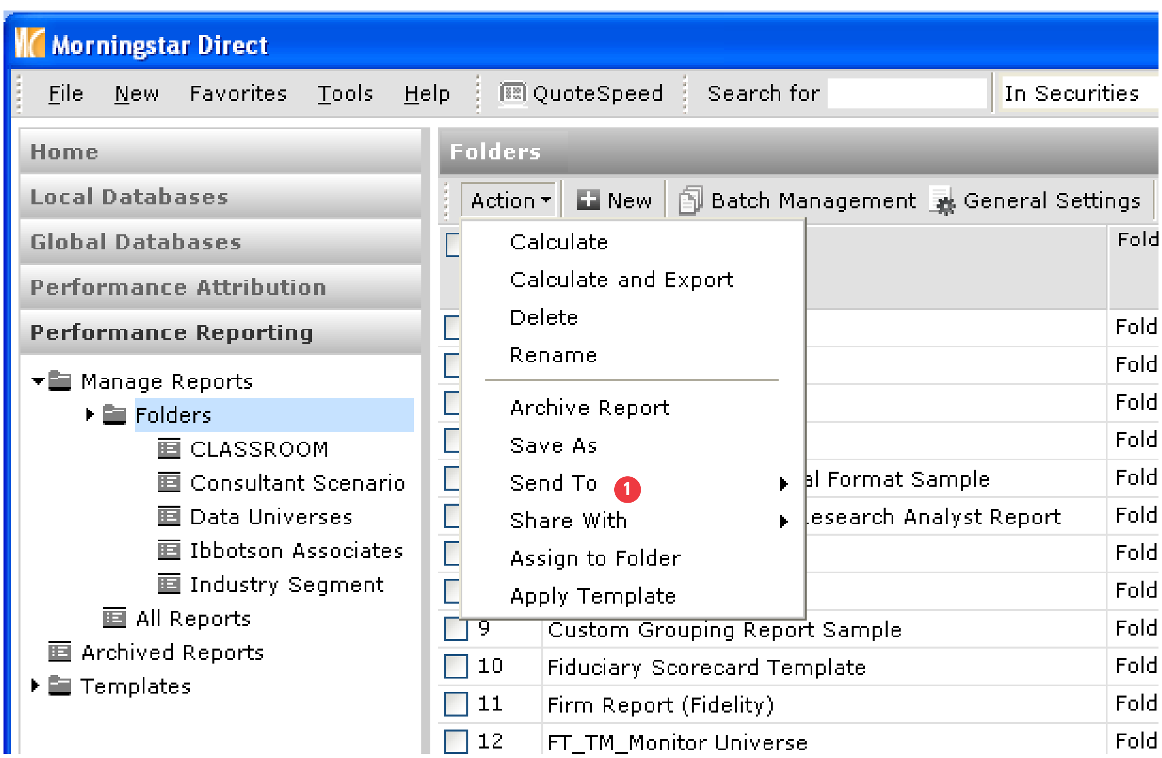
7. Enter your Password and click *OK*.

8. You've completed setting up the Batch. Based on your settings, your reports are now scheduled to run automatically. You can also choose to run the report now, by clicking *Run Now*.



Send and Share your Reports with other Morningstar Direct Subscribers

1. Once you've created your report, you can send or share your report with your colleague (s) within or outside your firm.



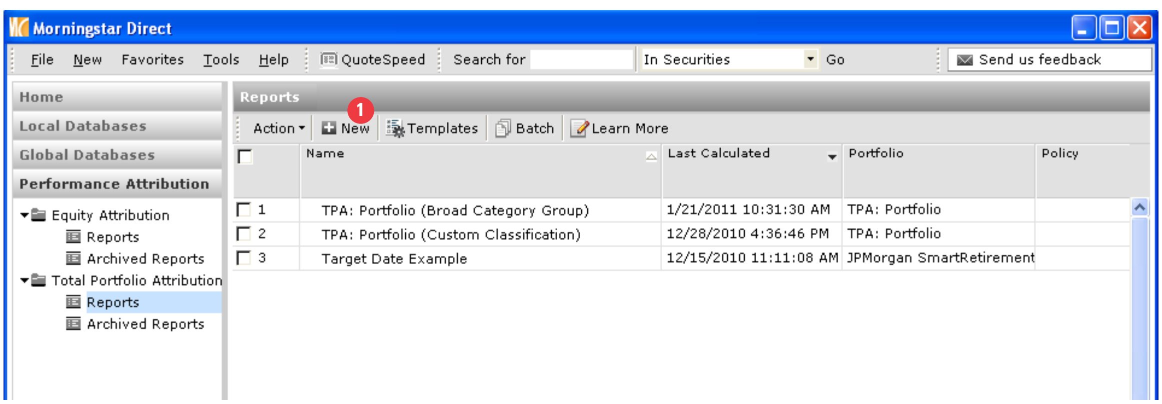
Total Portfolio Attribution

Total portfolio attribution, also known as macro or balanced attribution, allows users (i.e. Plan Sponsors or Consultants) to assess the results of strategic asset allocation policies and active investment management. Decompose the results by various groupings or by your own custom classifications.

Outline:
Create an Equity Attribution Report
View the Equity Attribution Results
Automatically Run Reports using Batch Scheduling
Create a Template
Send your Reports to other Morningstar Direct Subscribers

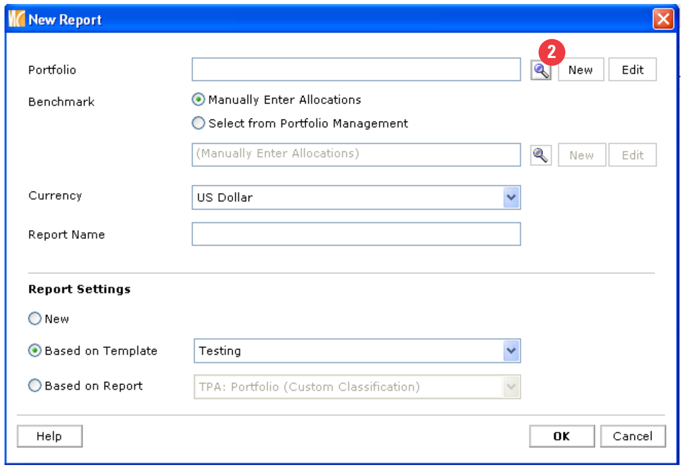
Create a Total Portfolio Attribution Report

1. In the Performance Attribution folder, go to Total Portfolio Attribution. Select the Report subfolder and then click *New*.

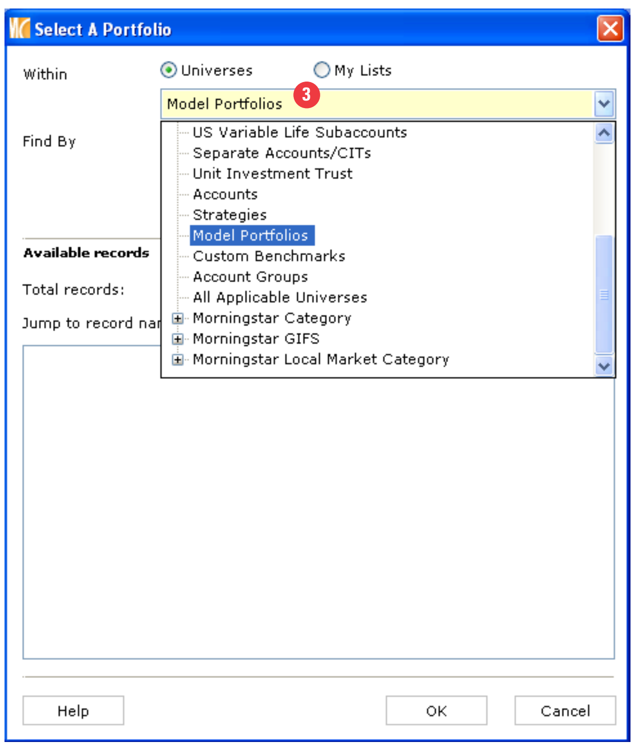


Learn More is provided to get easy access to Equity Attribution Methodology papers and more.

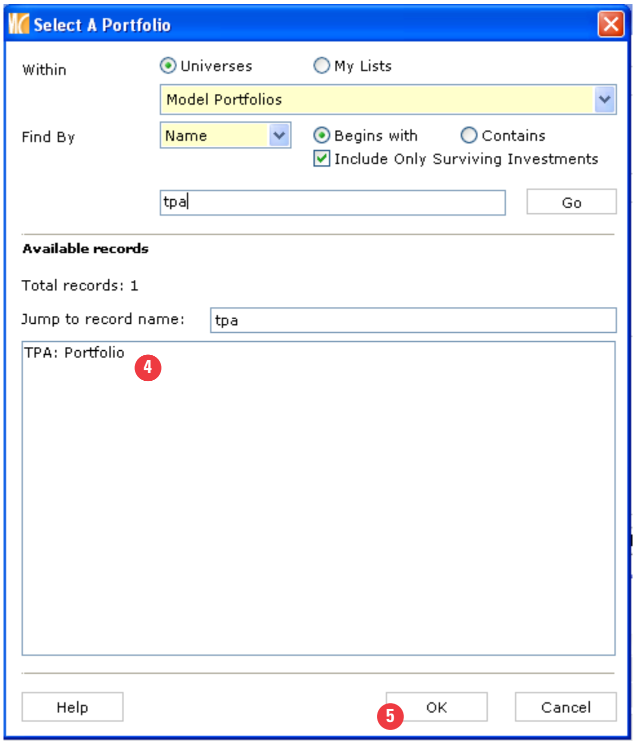
2. You will be taken to the New Report Dialog Box. Click on the *magnifying glass* to select a portfolio.



3. The default universe will be *Model Portfolios* but you can select a portfolio from the other choices.

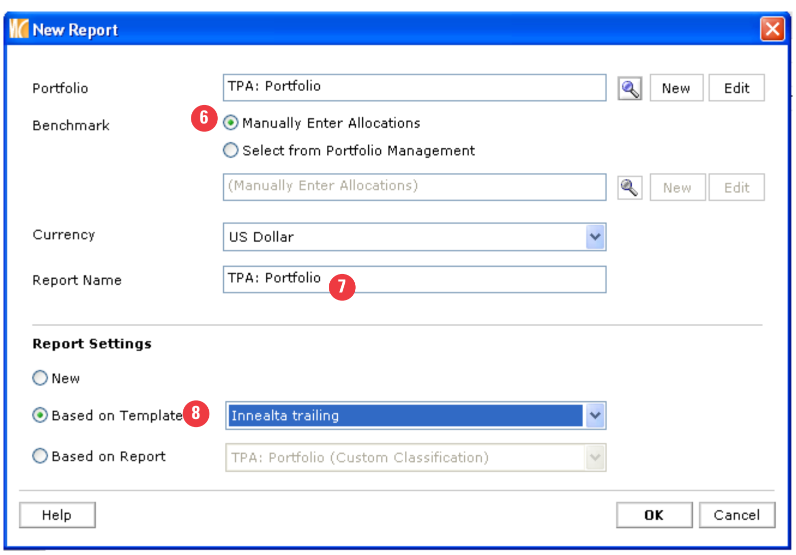


4. Keep the default, *Model Portfolio*, and locate your portfolio. For further instructions as to how to create a Model Portfolio, see the Model Portfolio Chapter.



5. Once complete, click OK and you will be taken back to the New Report settings.

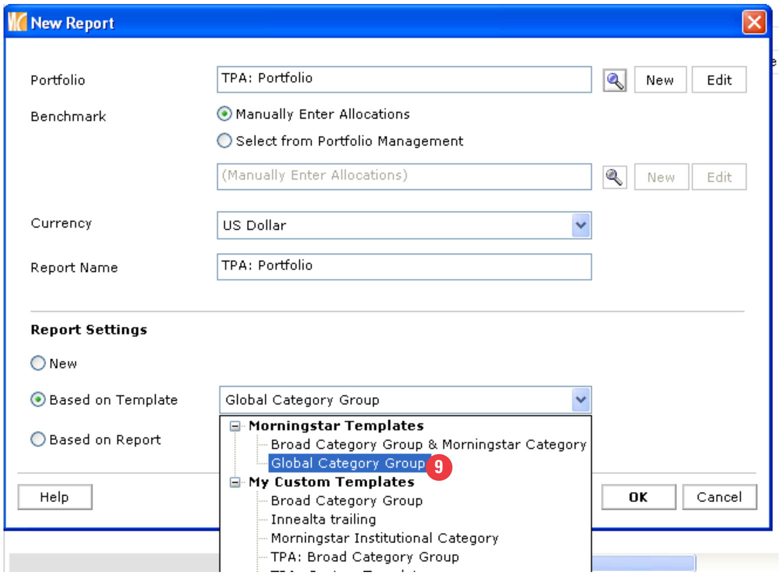
6. You have two choices to select your policy benchmark. You can either Manually Enter Allocations or you can Select from Portfolio Management an existing portfolio. Select *Manually Enter Allocations*.



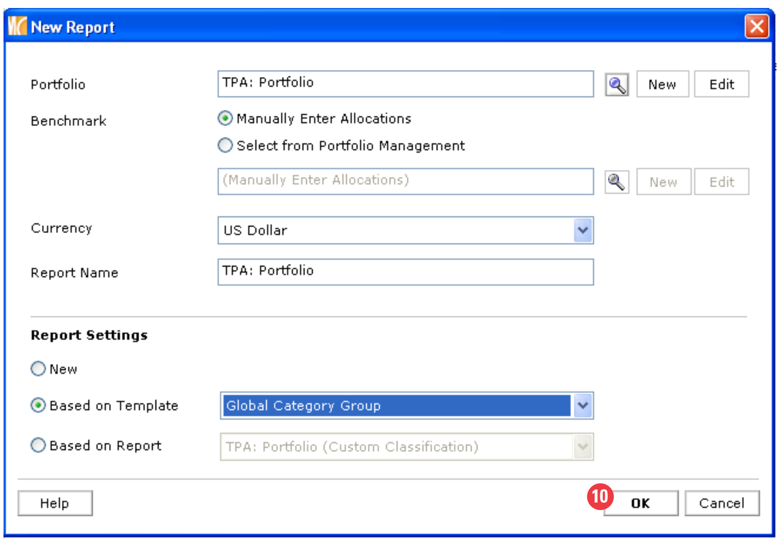
7. Give your Report a *Name*.

8. Go to Report Settings where you can create a report based on new settings, template settings, or saved report settings. We will create a new report based on a Morningstar Template. Click on *Based on Template*.

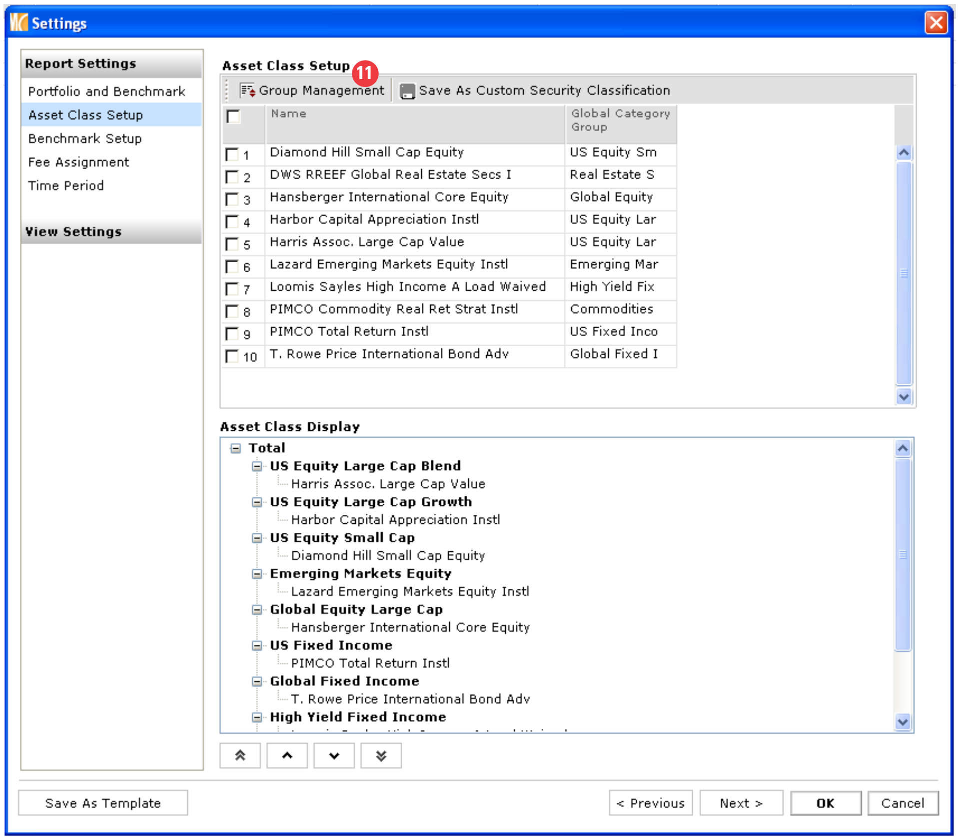
9. From the drop down, go to Morningstar Template and select *Global Category Group*.



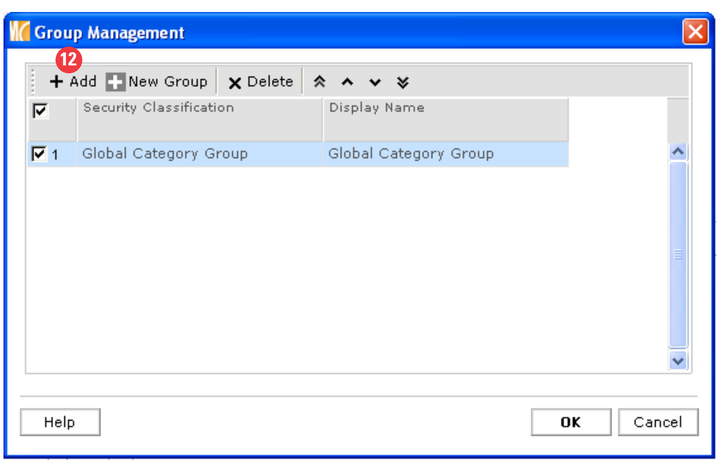
10. Click *OK* to be taken to the Settings window.



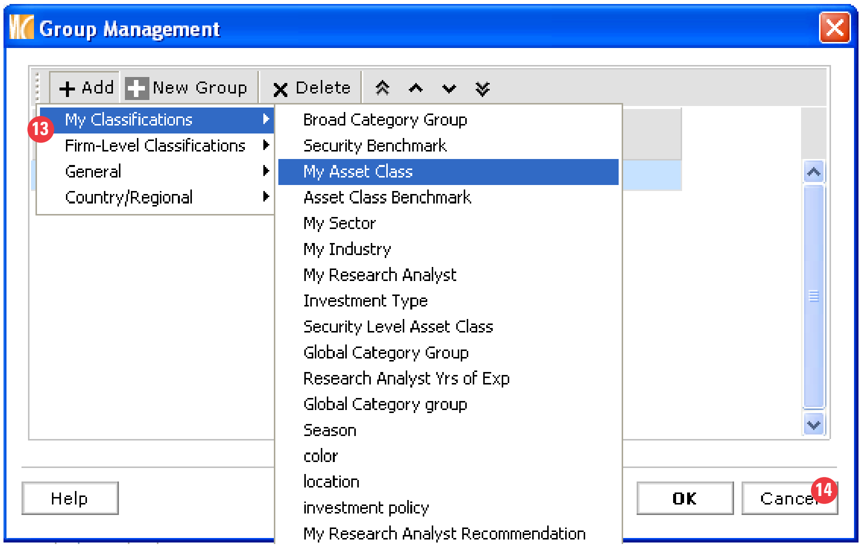
11. The Asset Class Setup view shows investments that fall under each Global Category Group. If you decide that you want to modify the Asset Class choices in Global Category Group, click on *Group Management* to change any of these asset class groupings.



12. In the Group Management dialog box, click *+Add.*

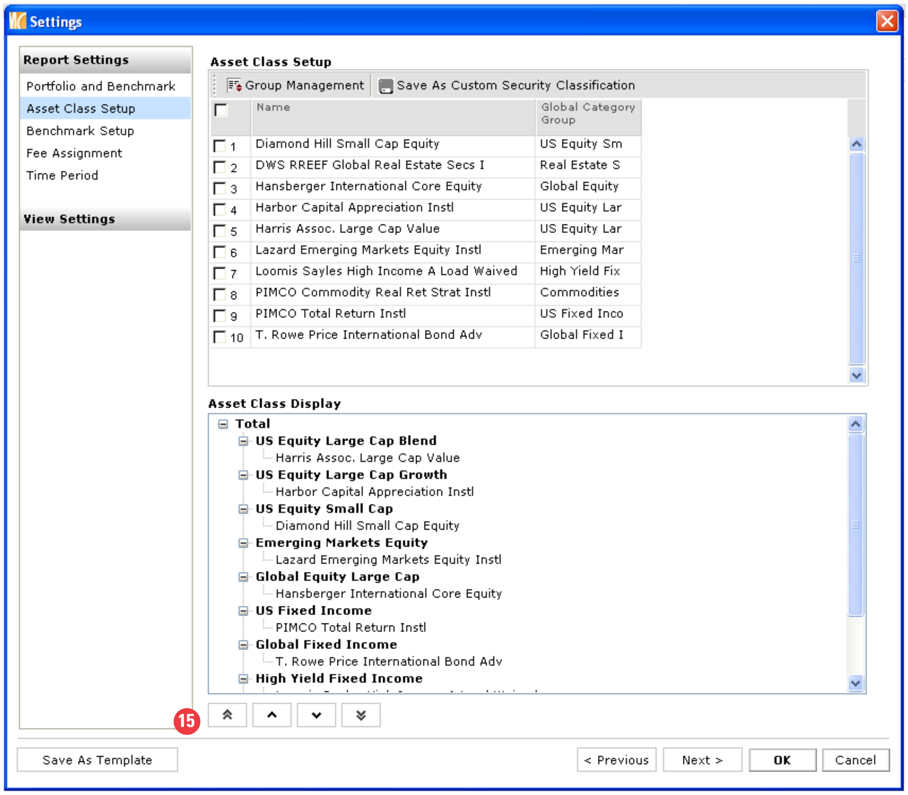


13. You will see your choices to replace the current Security Classification. Select *My Classifications* to activate your custom classifications. See the Custom Security Classifications chapter for detail on how to create your own custom security classifications. Note that Group Management is one location to change your groupings but you also have access to Report Settings in the New Report Window (see #2) to change your groupings.

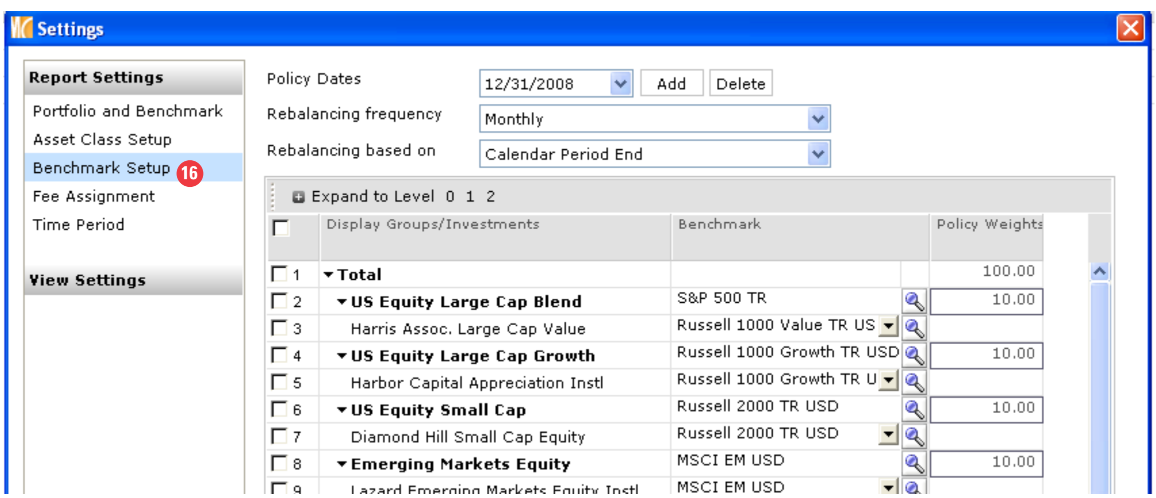


14. For our exercise, we will maintain the Morningstar Template, Global Category Group. Therefore, click *Cancel* to be taken back to the Setting view.

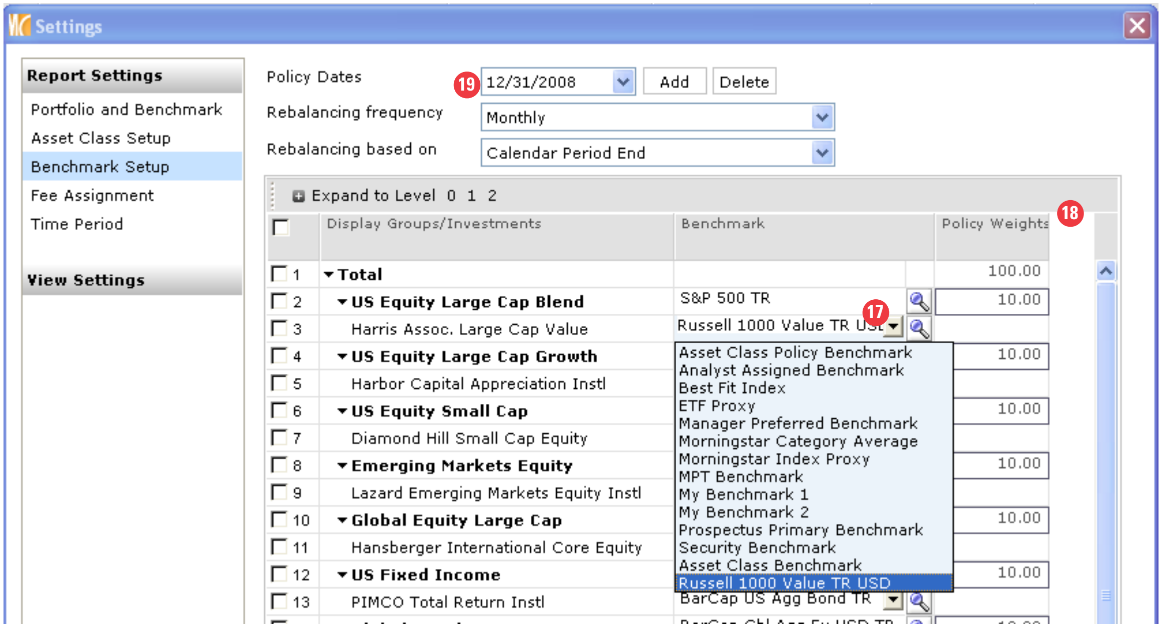
15. Go to Asset Class Display to change the order by clicking on the *up and down arrows*.



16. Go to the *Benchmark Setup*.



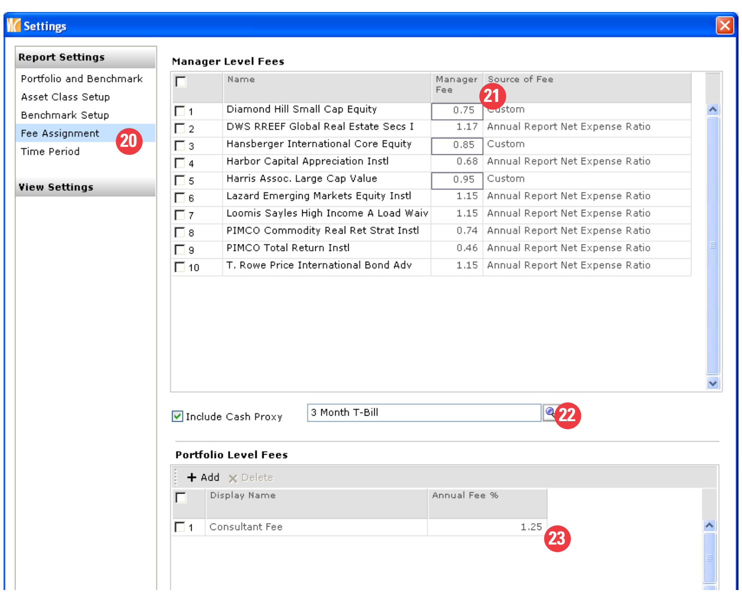
17. Go to the Benchmark column where you can change the default prospective benchmark for each manager to another choice. Click on the *drop down* and you will have the opportunity to select the same Asset Class Benchmark.



18. Go to the *Policy Weights* column where the default policy weights are equal weighted.

19. Once you've decided on your policy weights, provide a *Policy Date*. Here, you can also set up the frequency and determine if the rebalancing frequency is Calendar Period End or Rolling Period Based on Portfolio Date from the drop down. There is no limitation to the number of Policy Dates that you can create.

20. Once you've completed the Benchmark Set, click on *Fee Assignment*.

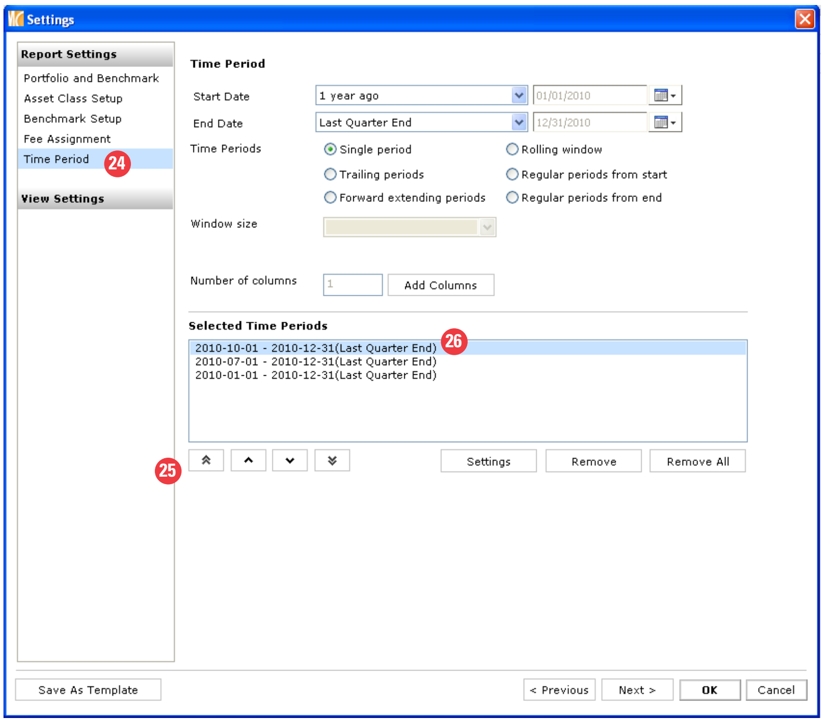


21. In this window, input a *custom fee* for those managers that don't have Annual Net Expense Ratio (i.e. separate accounts).

22. Include *Cash Proxy* such as the 3 Month T-Bills.

23. Input *Portfolio Level* fees such as consultant or wrap fees.

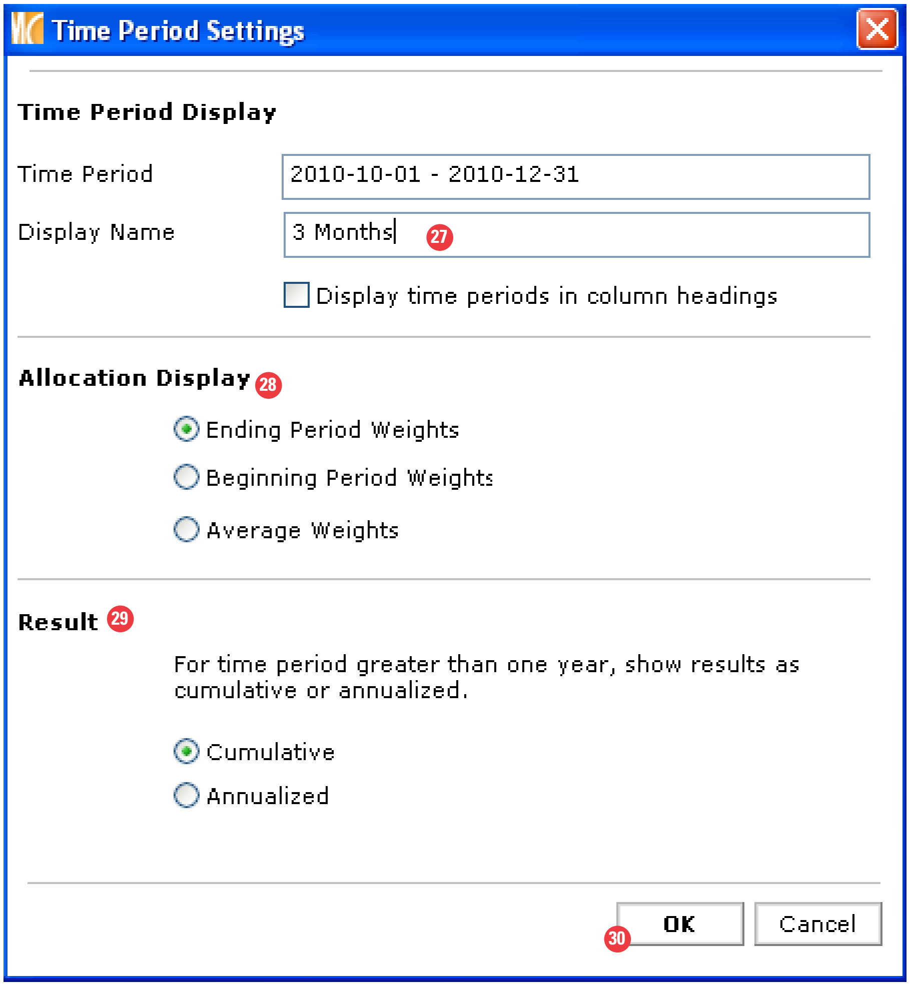
24. Go to *Time Period* to select the time periods for report analysis.



25. Utilize the *up/down arrows* to place your time periods in the order you prefer.

26. *Double click* on the first time periods or click on Settings. You will be taken to the Time Period Settings dialog box.

27. Here, you can customize the *Display Name.*

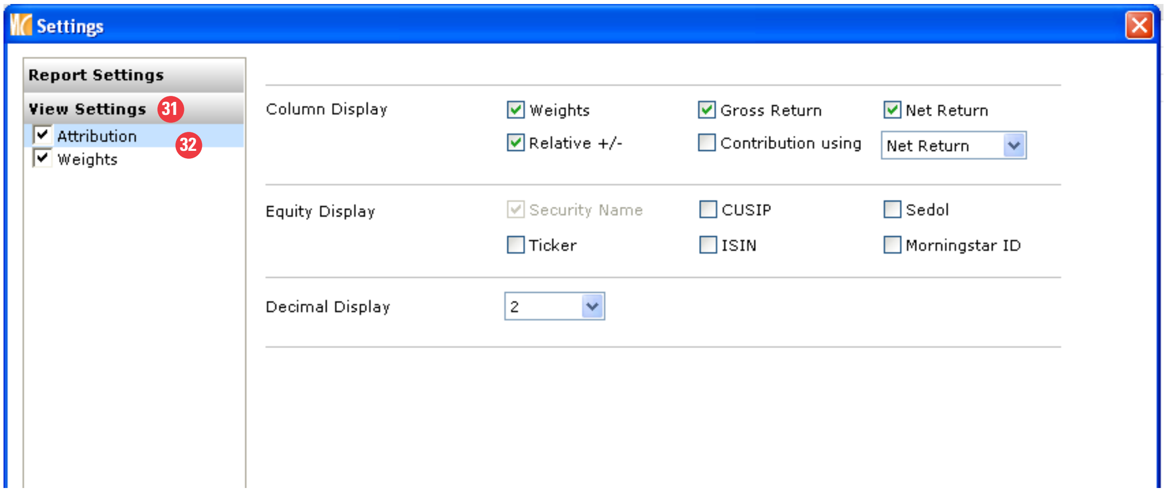


28. Select the specific *Allocation Display.*

29. Determine if you want *Cumulative or Annualized* results for periods greater than 1 year.

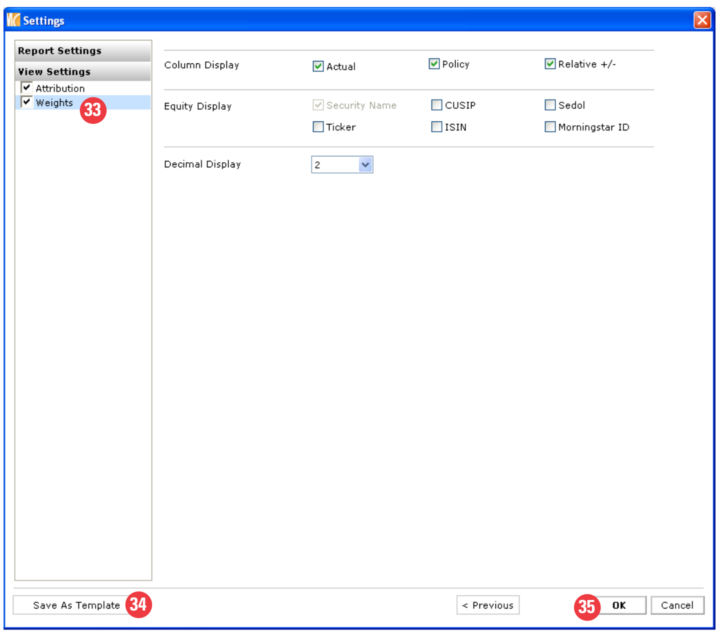
30. Click *OK*, once complete, and you will be taken back to the Setting Dialog box.

31. Click on *View Settings* to customize your output display settings.



32. Go to the *Attribution* folder to set up your Column, Equity and Decimal display output.

33. Go to the *Weights* window to customize the weights display output.

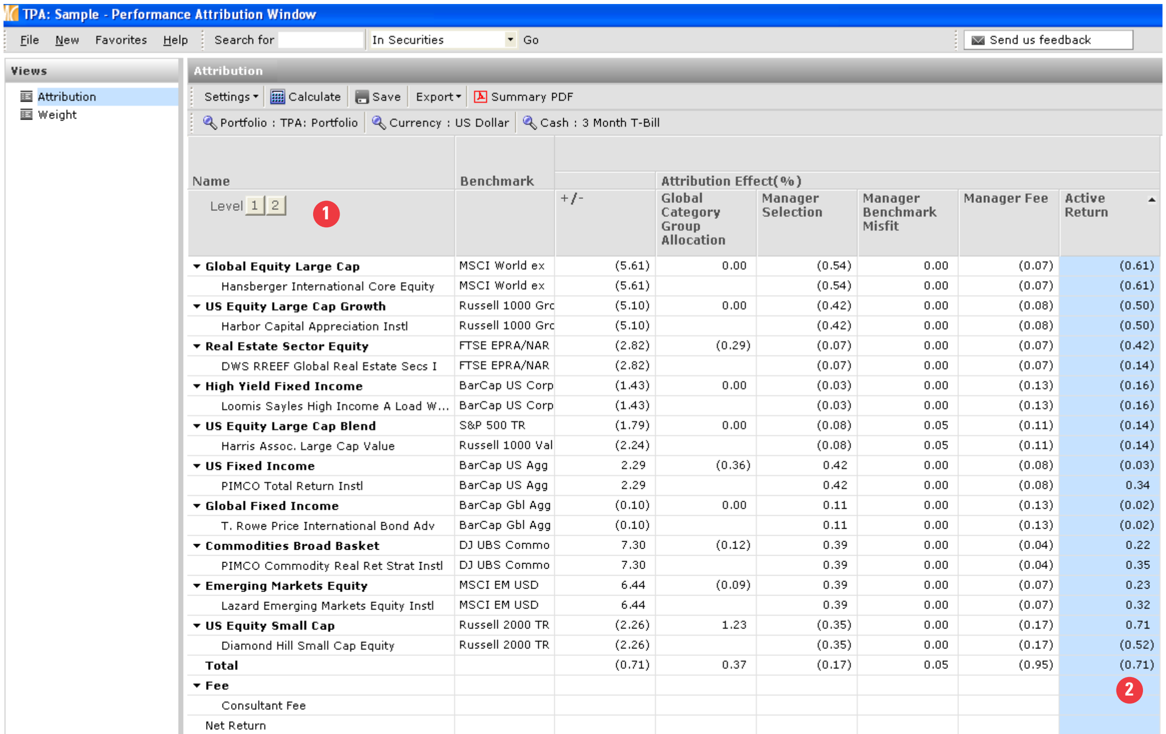


34. Once you've completed your View Settings, you can now save these settings by clicking on *Save as Template.*

35. Click *OK* to run the Total Portfolio Attribution Report.

View the Total Portfolio Attribution Results

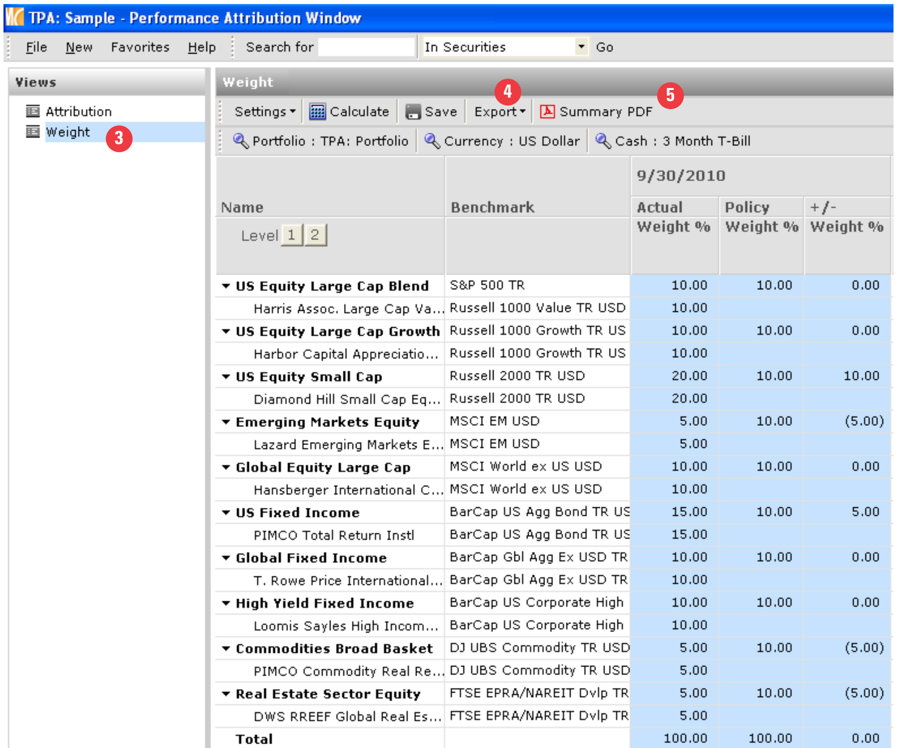
1. Once you've run your report, the *Attribution* view will automatically be displayed to interpret the results at the grouping and manager level. Level 1 is the asset class breakdown and Level 2 is the manager breakdown as shown by the Equity asset class, all driven by your settings.



Name	Benchmark	+/-	Attribution Effect(%) Global Category Group Allocation	Manager Selection	Manager Benchmark Misfit	Manager Fee	Active Return
Global Equity Large Cap	MSCI World ex	(5.61)	0.00	(0.54)	0.00	(0.07)	(0.61)
Hansberger International Core Equity	MSCI World ex	(5.61)		(0.54)	0.00	(0.07)	(0.61)
US Equity Large Cap Growth	Russell 1000 Grc	(5.10)	0.00	(0.42)	0.00	(0.08)	(0.50)
Harbor Capital Appreciation Instl	Russell 1000 Grc	(5.10)		(0.42)	0.00	(0.08)	(0.50)
Real Estate Sector Equity	FTSE EPRA/NAR	(2.82)	(0.29)	(0.07)	0.00	(0.07)	(0.42)
DWS RREEF Global Real Estate Secs I	FTSE EPRA/NAR	(2.82)		(0.07)	0.00	(0.07)	(0.14)
High Yield Fixed Income	BarCap US Corp	(1.43)	0.00	(0.03)	0.00	(0.13)	(0.16)
Loomis Sayles High Income A Load W...	BarCap US Corp	(1.43)		(0.03)	0.00	(0.13)	(0.16)
US Equity Large Cap Blend	S&P 500 TR	(1.79)	0.00	(0.08)	0.05	(0.11)	(0.14)
Harris Assoc. Large Cap Value	Russell 1000 Val	(2.24)		(0.08)	0.05	(0.11)	(0.14)
US Fixed Income	BarCap US Agg	2.29	(0.36)	0.42	0.00	(0.08)	(0.03)
PIMCO Total Return Instl	BarCap US Agg	2.29		0.42	0.00	(0.08)	0.34
Global Fixed Income	BarCap Gbl Agg	(0.10)	0.00	0.11	0.00	(0.13)	(0.02)
T. Rowe Price International Bond Adv	BarCap Gbl Agg	(0.10)		0.11	0.00	(0.13)	(0.02)
Commodities Broad Basket	DJ UBS Commo	7.30	(0.12)	0.39	0.00	(0.04)	0.22
PIMCO Commodity Real Ret Strat Instl	DJ UBS Commo	7.30		0.39	0.00	(0.04)	0.35
Emerging Markets Equity	MSCI EM USD	6.44	(0.09)	0.39	0.00	(0.07)	0.23
Lazard Emerging Markets Equity Instl	MSCI EM USD	6.44		0.39	0.00	(0.07)	0.32
US Equity Small Cap	Russell 2000 TR	(2.26)	1.23	(0.35)	0.00	(0.17)	0.71
Diamond Hill Small Cap Equity	Russell 2000 TR	(2.26)		(0.35)	0.00	(0.17)	(0.52)
Total		(0.71)	0.37	(0.17)	0.05	(0.95)	(0.71)
Fee							
Consultant Fee							
Net Return							

2. In this view, most of the negative impact of *-0.71* came from manager selection while Tactical Asset Allocation had a positive effect.

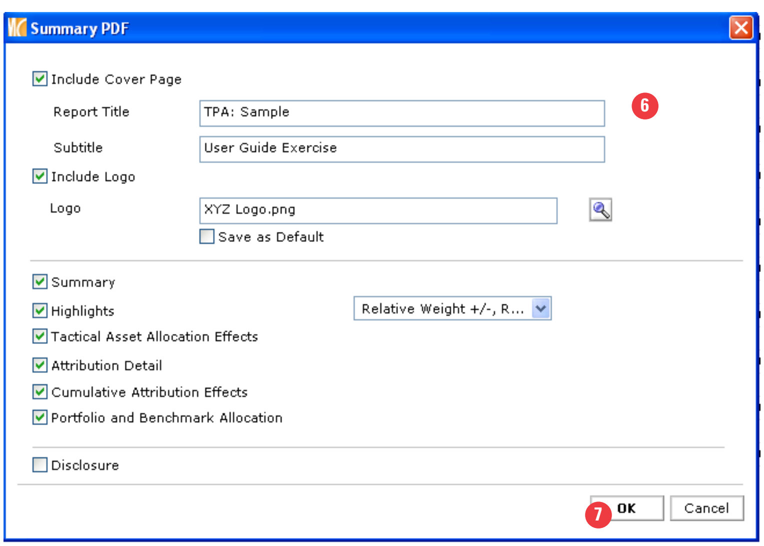
3. Go to the *Weight* view to compare the historical weight of the portfolio to the policy weights. Here, you will see the Actual Weight, Policy Weight, and the Difference.



4. Click *Export* to Export all views or the current view on your screen.

5. Click *Summary PDF* to generate a PDF report to communicate you results.

6. You will be taken to the *Summary PDF* dialog box. Here you can customize the cover page, put in a logo or select the views you want displayed.



7. Click *Ok*, once you've completed your settings in Summary PDF and your report will generate.

8. Click on the *Attribution Allocation Effect* chapter and you will be taken to the 4 quadrant view displaying those asset classes that had a positive impact (displayed in green) and those asset classes with negative impact (displayed in red).

TPA: Sample
User Guide Exercise

Date Calculated	Printed Date
1/24/2011	1/24/2011

XYZ, Inc.

9. As you can see, *US Fixed Income Asset Class* had the most negative impact to the active return.

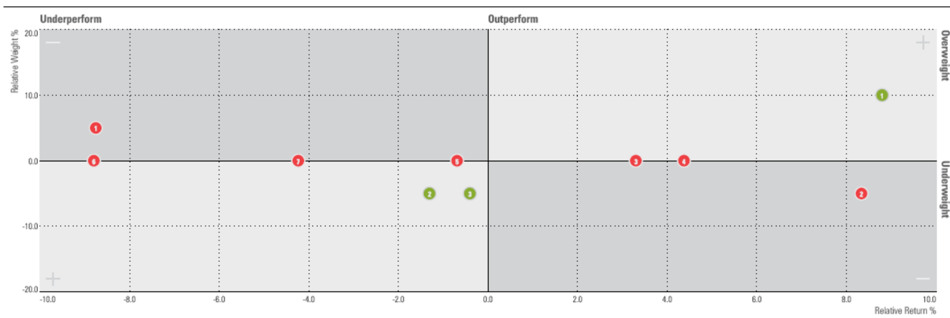
Page 7 of 21 | Calculated: 1/24/2011 | Printed: 1/24/2011

XYZ, Inc.

TPA: Sample

Portfolio	Benchmark	Currency
TPA: Portfolio	—	US Dollar

Attribution Allocation Effects 10/1/2010 to 12/31/2010



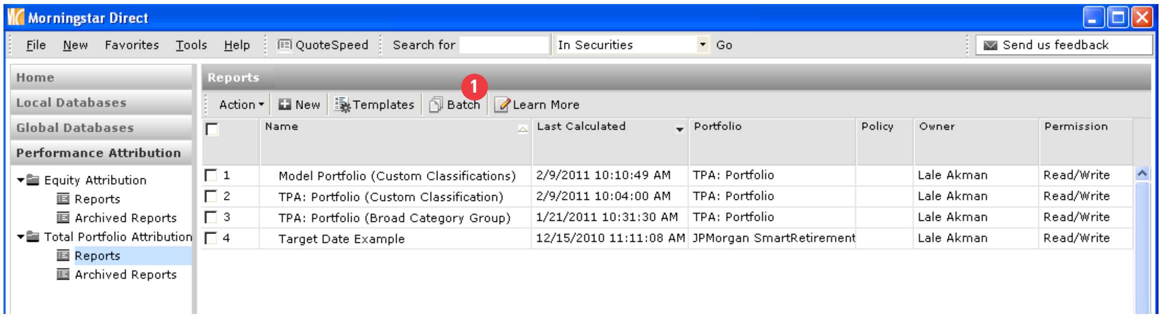
	Best Allocation	Weight	Return	Weight +/-	Return +/-	Effect
1	US Equity Small Cap	20.00	12.38	10.00	8.80	0.86
2	Real Estate Sector Equity	5.00	6.22	-5.00	-1.31	0.06
3	Emerging Markets Equity	5.00	5.60	-5.00	-0.40	0.02

	Worst Allocation	Weight	Return	Weight +/-	Return +/-	Effect
1	US Fixed Income	15.00	-0.81	5.00	-8.75	-0.44
2	Commodities Broad Basket	5.00	15.67	-5.00	8.34	-0.41
3	US Equity Large Cap Blend	10.00	11.40	0.00	3.30	0.00
4	US Equity Large Cap Growth	10.00	11.66	0.00	4.37	0.00

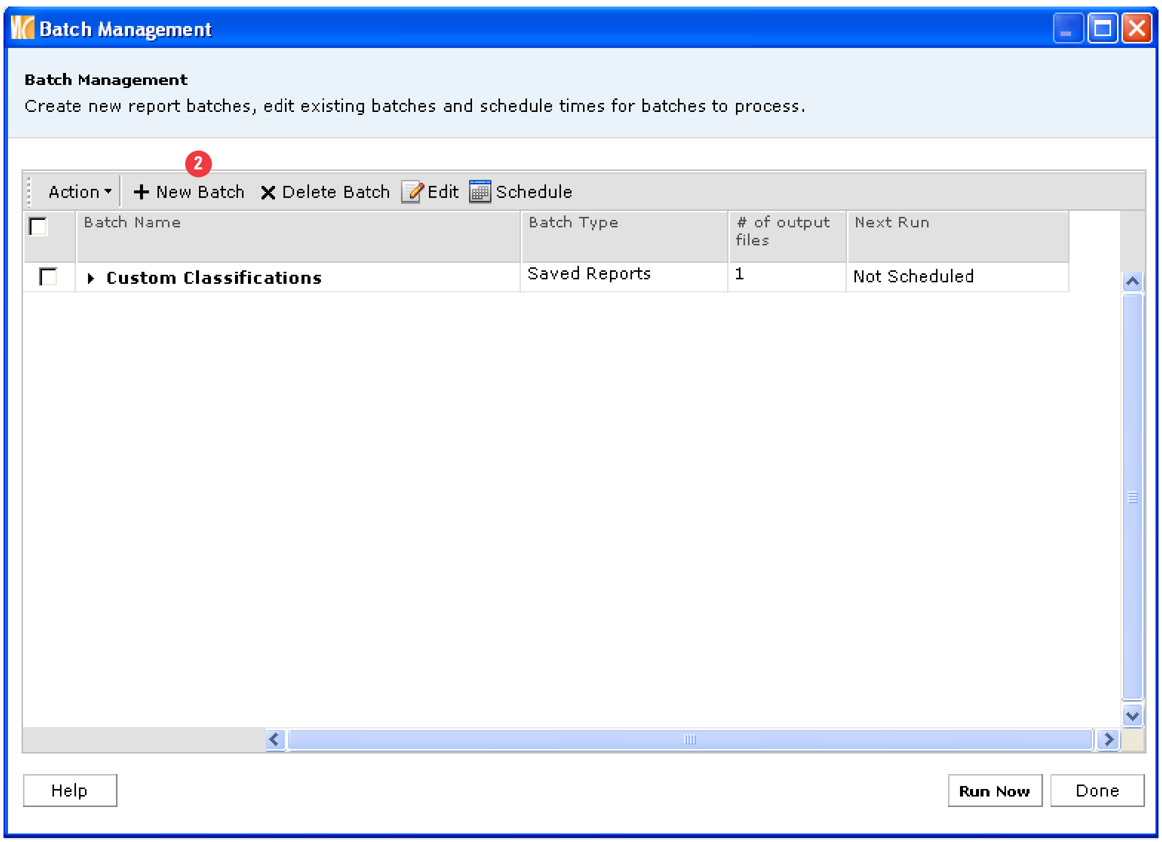
9

Automatically Run Reports using Batch Scheduling

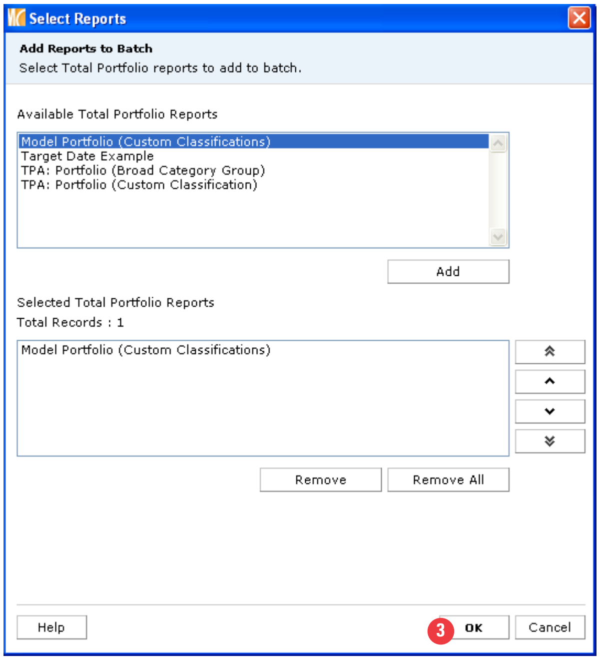
1. Once you create your report, you can schedule a batch to run reports automatically. Go to the Reports folder and click on *Batch*.



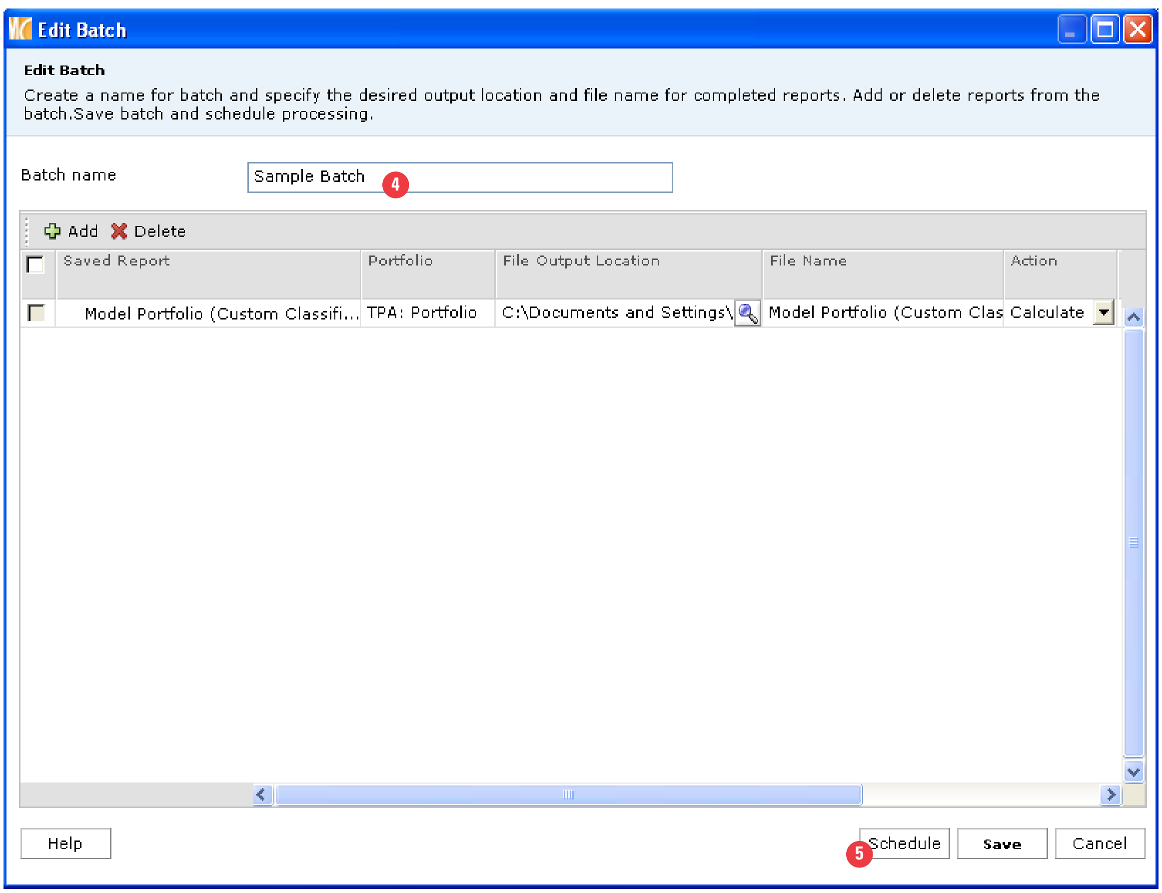
2. Go to *New Batch*.



3. Select the desired report(s) and click *OK* to be taken to the Edit Batch dialog window.

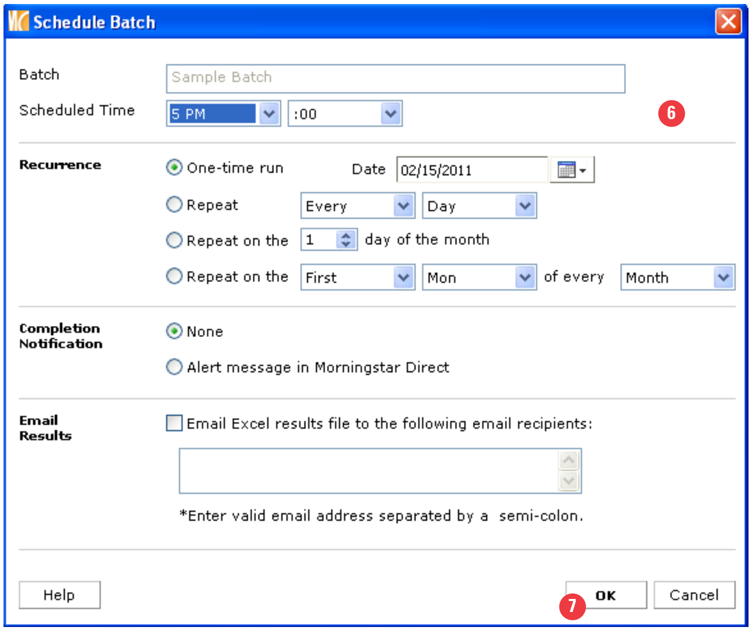


4. Give your Batch a *name*.



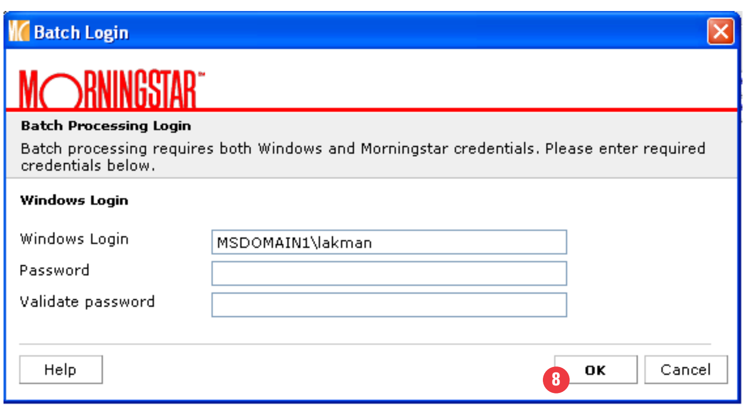
5. Once you've determined the file output location on your network drive, file name, and other settings, click *Schedule*.

6. Set your settings in the Schedule Batch window. You can also include the email addresses of those recipients that should receive the report once it automatically runs.

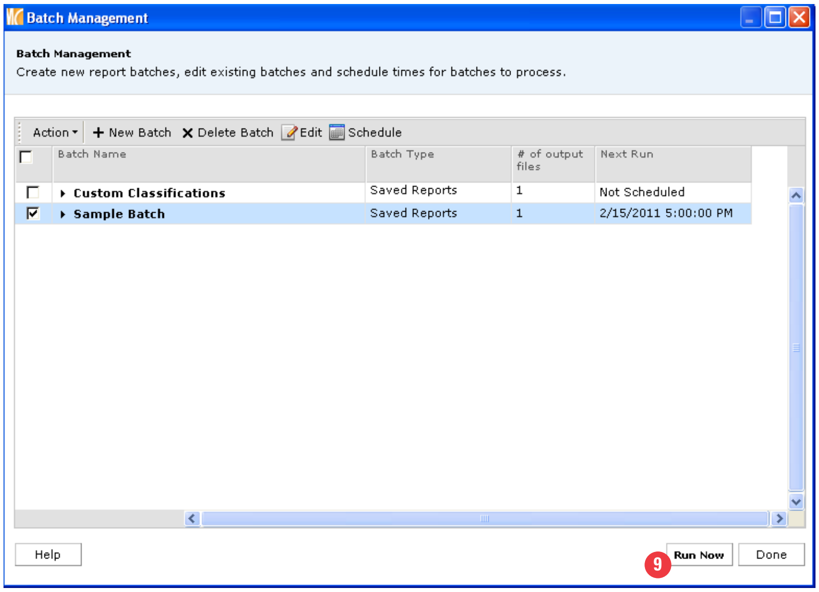


7. Click *OK* and you will be taken to the Batch Login dialog window.

8. Enter your Network Password and click *OK*.

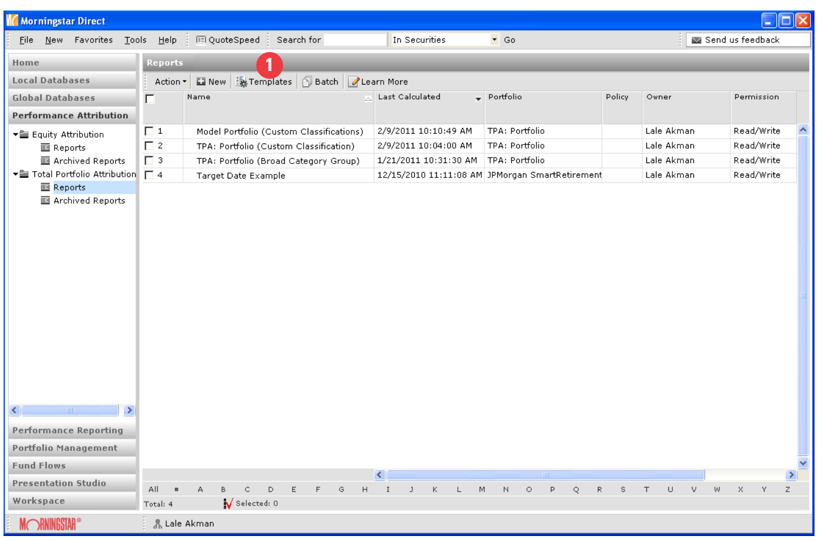


9. You have completed scheduling a Batch where your reports will automatically run based on your settings. If you chose to archive them, they will be stored in the Archived Folder under Total Portfolio Attribution. You can also choose to run the report now by clicking *Run Now*.

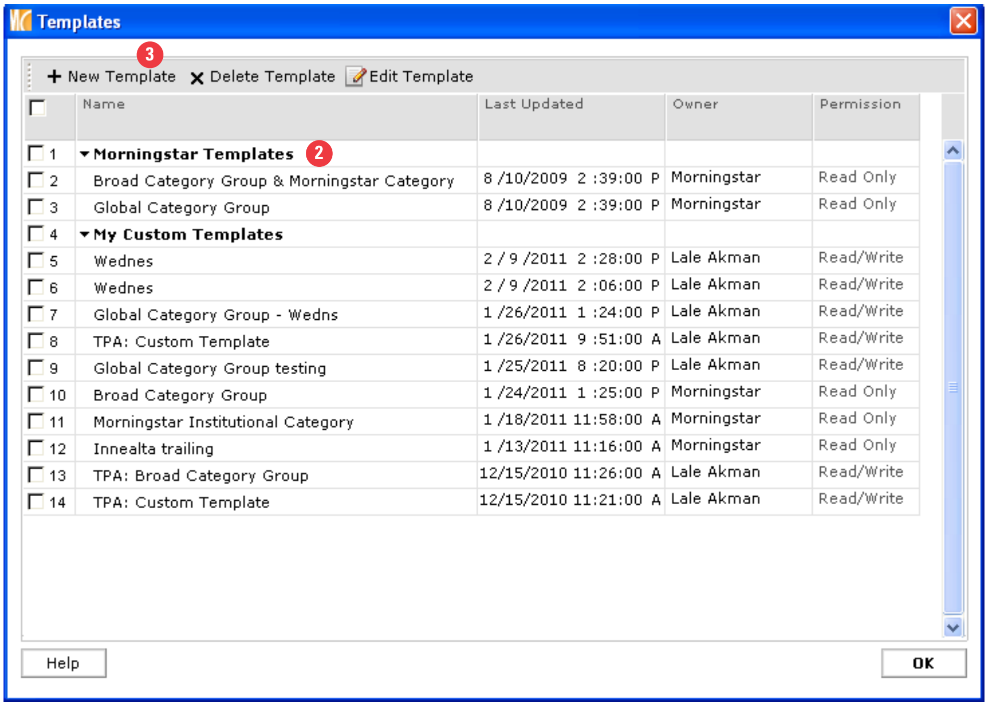


Create a Template

1. In the above exercise, we generated a report by using a Morningstar Template. You also have the option of starting your process by using Custom Templates. Go to Reports and click on *Templates* to be taken to the Templates dialog window.

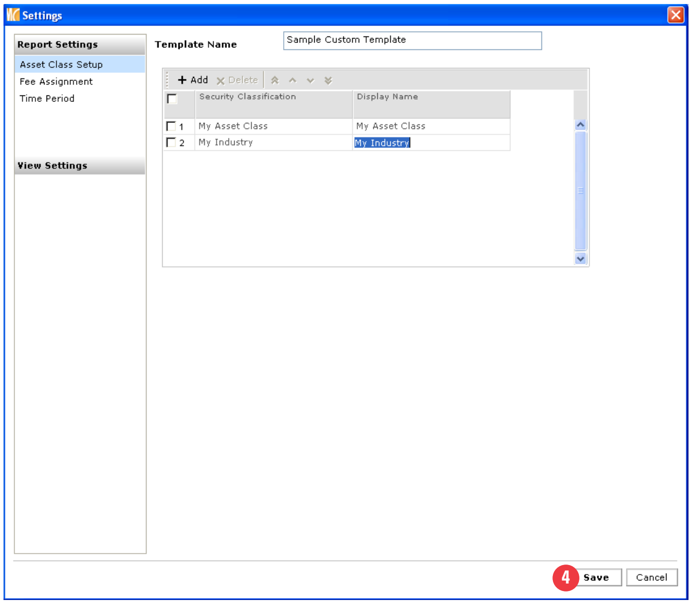


2. At the top, you will see the *Morningstar Templates*. You can use any of these reports or modify them to save as your own Custom Template.

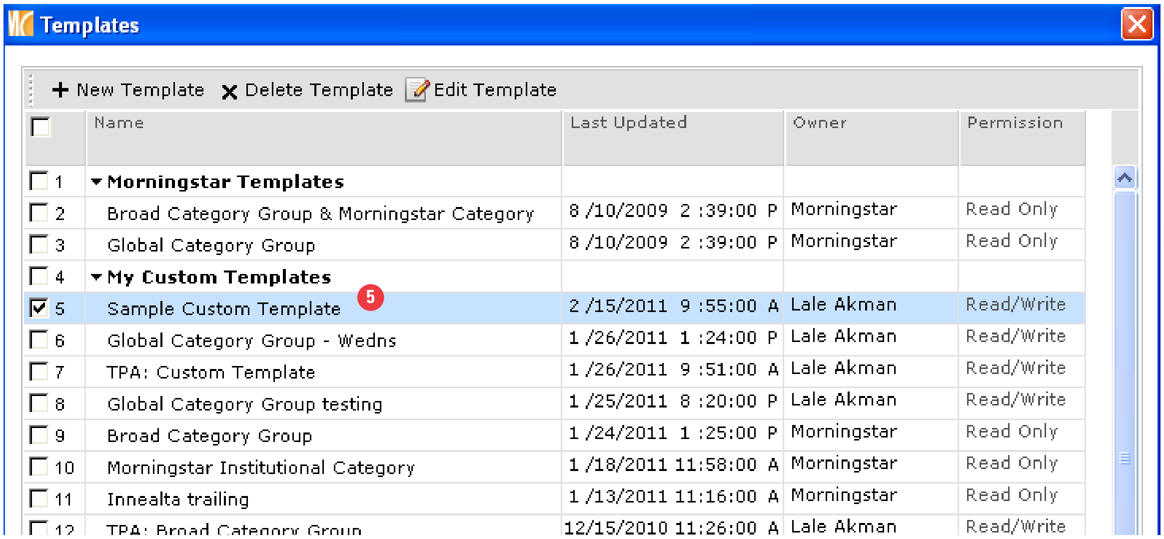


3. If you want to create a Custom Template from scratch, then click on *New Template* to begin creating your own custom template.

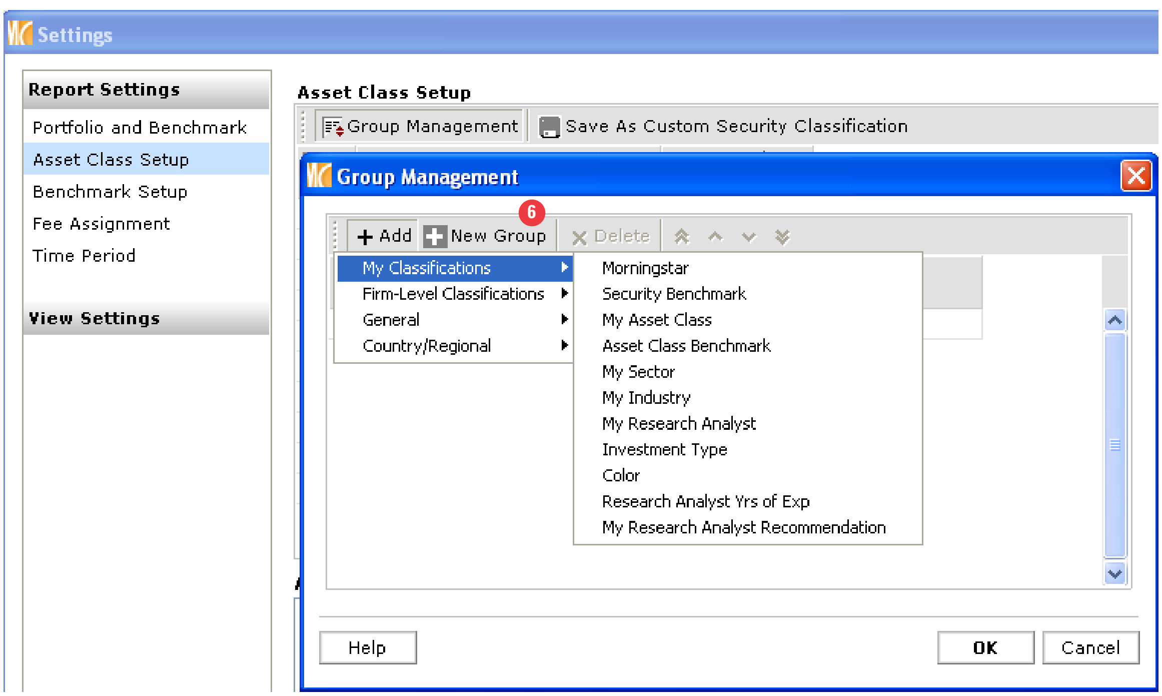
4. Once complete, click *Save*.



5. Your custom template will be stored under *My Custom Templates* in the Template window dialog box.

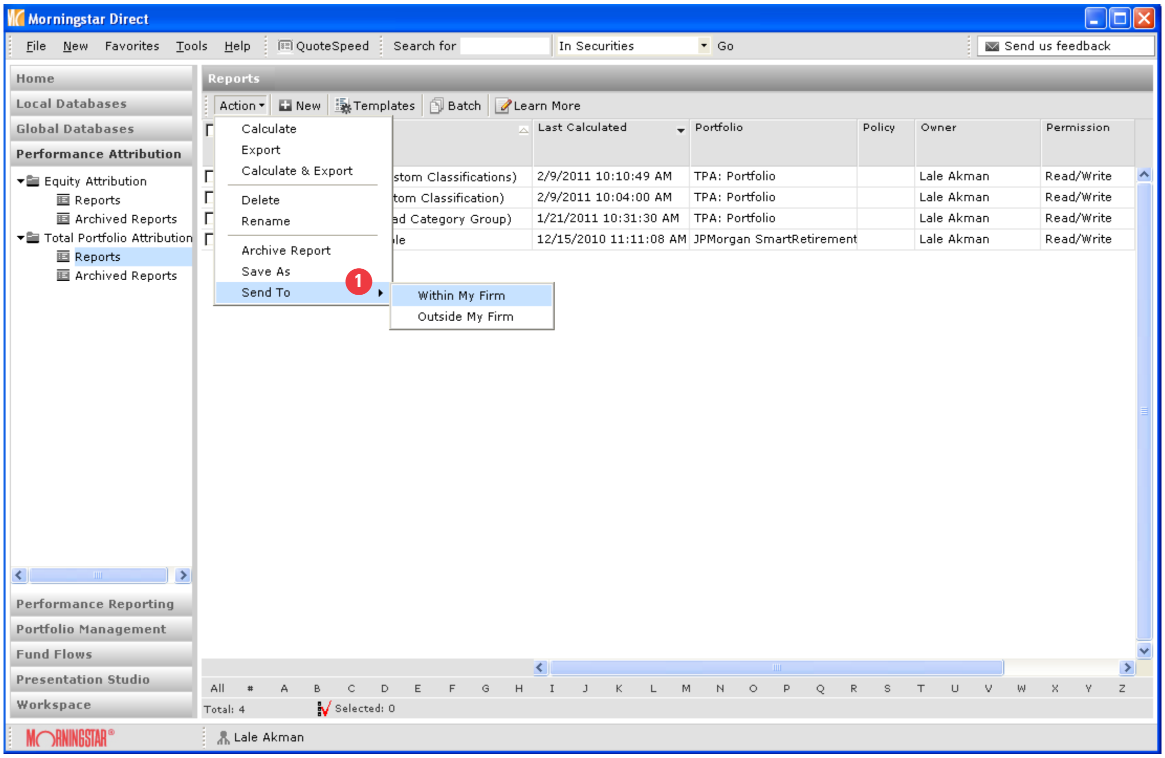


6. You can also retrieve your custom template and apply it to your report from Report Settings in the *Group Management* window.



Send your Reports to other Morningstar Direct Subscribers

1. Once you've created your report, you can *Send* your report to your colleague within or outside your firm.

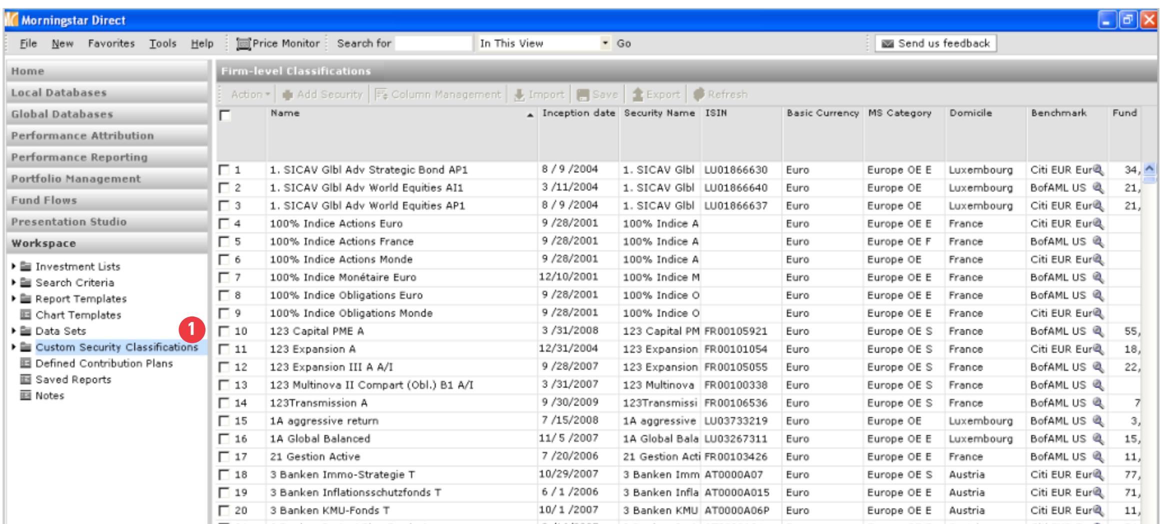


Custom Security Classifications

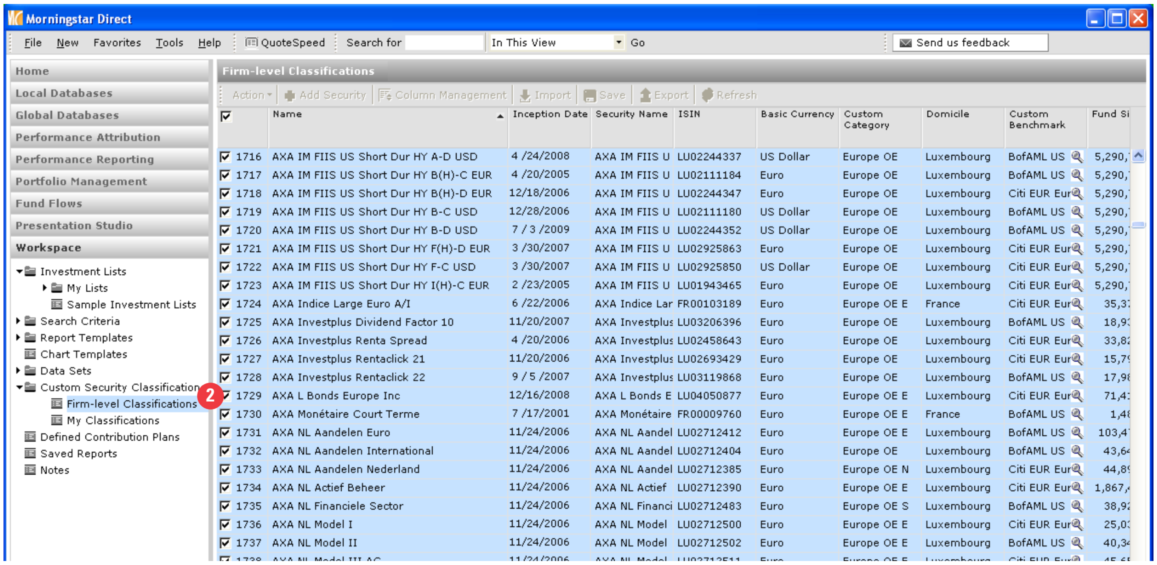
Custom Classifications allows you to create your own classifications on any type of security and apply to Performance Attribution, Total Portfolio Attribution, Performance Reporting, and Presentation Studio. Therefore, in addition to the grouping choices you have access to in Morningstar Direct, you can also create your own custom classifications.

Create Custom Classifications

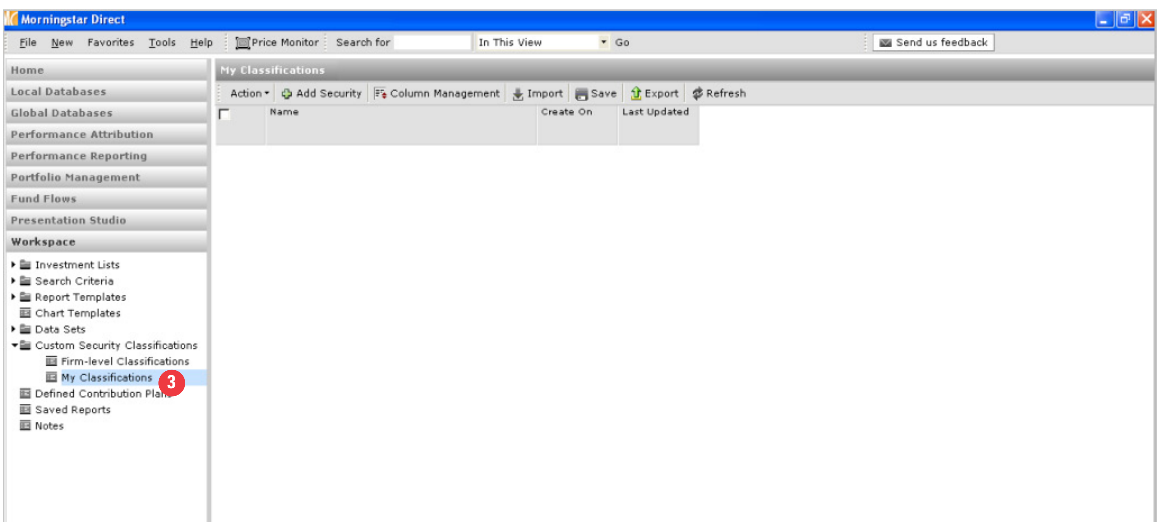
1. Go to the workspace folder and click on *Custom Security Classification*.



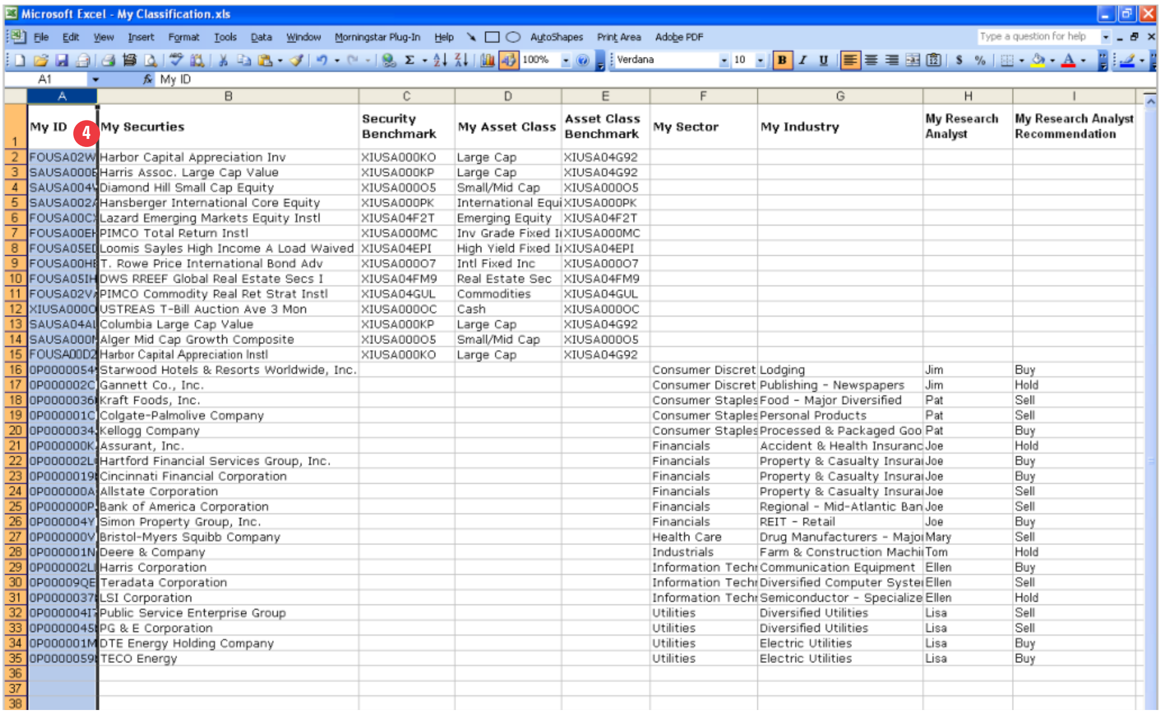
2. Click on *Firm Level Classifications*. This is the location where multiple users of a firm will have permissions to add securities and classifications. For those users that don't have administrative rights, they can still use the firm-level custom classifications throughout Morningstar Direct, but they cannot update the classifications without the permission role which Morningstar grants.



3. Click on *My Classifications* to create your own classifications. You'll notice that nothing is listed in your view. Let's demonstrate and begin the process to build our own classifications.

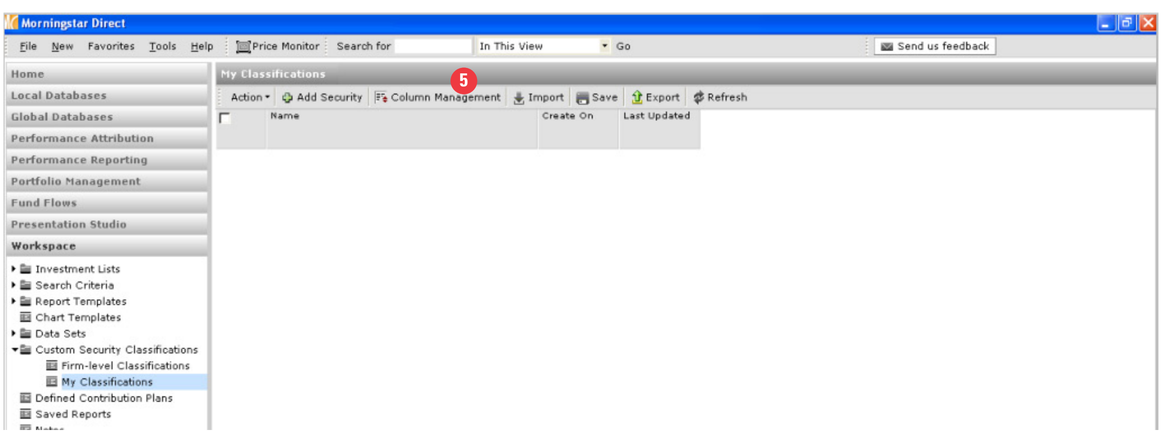


4. Below is a *sample spreadsheet* consisting of many classifications. For example, set up your own asset classes and asset class benchmarks for Total Portfolio Attribution or set up custom sector, industry, and research analyst recommendations for Equity Attribution to identify if the right recommendations were made in a given portfolio. Continue to add more information, customizing the name and order, all in the same master file without having to populate every name with the same classification, as shown by the blank cells. As long as you have an identifier, shown in the 1st column, for each security or managed account, you will be able to maintain the data in one location.



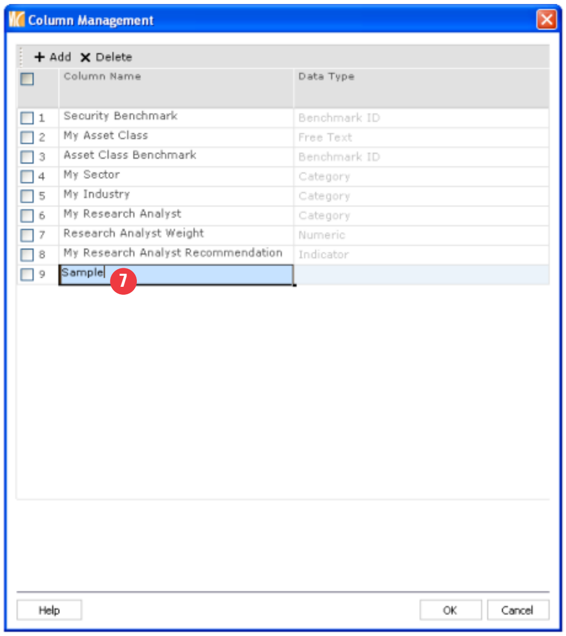
My ID	My Securties	Security Benchmark	My Asset Class	Asset Class Benchmark	My Sector	My Industry	My Research Analyst	My Research Analyst Recommendation
FOUSA02W	Harbor Capital Appreciation Inv	XIUSA000KO	Large Cap	XIUSA04G92				
SAUSA000E	Harris Assoc. Large Cap Value	XIUSA000KP	Large Cap	XIUSA04G92				
SAUSA004V	Diamond Hill Small Cap Equity	XIUSA000O5	Small/Mid Cap	XIUSA000O5				
SAUSA002A	Hansberger International Core Equity	XIUSA000PK	International Equi	XIUSA000PK				
FOUSA00C	Lazard Emerging Markets Equity Instl	XIUSA04F2T	Emerging Equity	XIUSA04F2T				
FOUSA00EH	PIMCO Total Return Instl	XIUSA000MC	Inv Grade Fixed I	XIUSA000MC				
FOUSA05EI	Loomis Sayles High Income A Load Waived	XIUSA04EPI	High Yield Fixed I	XIUSA04EPI				
FOUSA00HI	T. Rowe Price International Bond Adv	XIUSA000O7	Intl Fixed Inc	XIUSA000O7				
FOUSA05IH	DWS RREEF Global Real Estate Secs I	XIUSA04FM9	Real Estate Sec	XIUSA04FM9				
FOUSA02V	PIMCO Commodity Real Ret Strat Instl	XIUSA04GUL	Commodities	XIUSA04GUL				
XIUSA000O	USTREAS T-Bill Auction Ave 3 Mon	XIUSA000OC	Cash	XIUSA000OC				
SAUSA04AI	Columbia Large Cap Value	XIUSA000KP	Large Cap	XIUSA04G92				
SAUSA000M	Alger Mid Cap Growth Composite	XIUSA000O5	Small/Mid Cap	XIUSA000O5				
FOUSA00D2	Harbor Capital Appreciation Instl	XIUSA000KO	Large Cap	XIUSA04G92				
0P0000054	Starwood Hotels & Resorts Worldwide, Inc.				Consumer Discret	Lodging	Jim	Buy
0P000002C	Gannett Co., Inc.				Consumer Discret	Publishing - Newspapers	Jim	Hold
0P0000036	Kraft Foods, Inc.				Consumer Staples	Food - Major Diversified	Pat	Sell
0P000001C	Colgate-Palmolive Company				Consumer Staples	Personal Products	Pat	Sell
0P0000034	Kellogg Company				Consumer Staples	Processed & Packaged Goo	Pat	Buy
0P000000K	Assurant, Inc.				Financials	Accident & Health Insuranc	Joe	Hold
0P000002L	Hartford Financial Services Group, Inc.				Financials	Property & Casualty Insura	Joe	Buy
0P0000019	Cincinnati Financial Corporation				Financials	Property & Casualty Insura	Joe	Buy
0P000000A	Allstate Corporation				Financials	Property & Casualty Insura	Joe	Sell
0P000000P	Bank of America Corporation				Financials	Regional - Mid-Atlantic Ban	Joe	Sell
0P000004Y	Simon Property Group, Inc.				Financials	REIT - Retail	Joe	Buy
0P000000V	Bristol-Myers Squibb Company				Health Care	Drug Manufacturers - Majo	Mary	Sell
0P000001N	Deere & Company				Industrials	Farm & Construction Machi	Tom	Hold
0P000002L	Harris Corporation				Information Tech	Communication Equipment	Ellen	Buy
0P00009QE	Teradata Corporation				Information Tech	Diversified Computer Syste	Ellen	Sell
0P0000037	LSI Corporation				Information Tech	Semiconductor - Specialize	Ellen	Hold
0P000004I	Public Service Enterprise Group				Utilities	Diversified Utilities	Lisa	Sell
0P0000045	PG & E Corporation				Utilities	Diversified Utilities	Lisa	Sell
0P000001M	DTE Energy Holding Company				Utilities	Electric Utilities	Lisa	Buy
0P0000059	TECO Energy				Utilities	Electric Utilities	Lisa	Buy

5. Once your spreadsheet is complete, go back to My Classifications and click on *Column Management*.

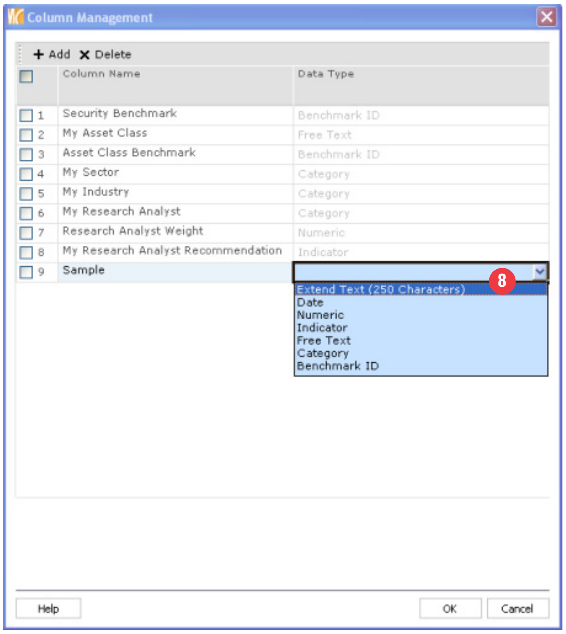


6. To add the necessary columns that correspond to our master spreadsheet, click +*Add*.

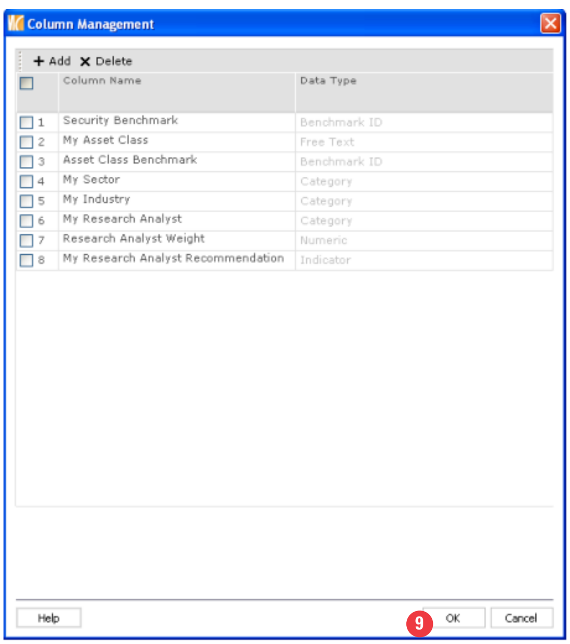
7. Type the name of the *Column Name*.



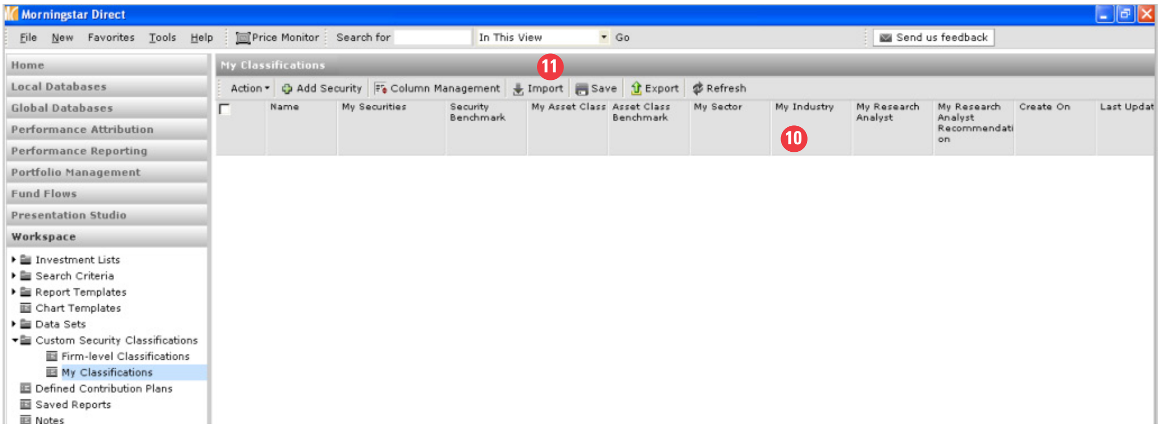
8. Go to the *Data Type* drop down. Extended text means you have up to 250 characters. Date is basically a Date. Numeric is a numeric value. Indicator means you have up to 5 characters (i.e. “yes/no”).
Free Text means that you have up to 50 characters. Category means grouping and Benchmark ID means those benchmarks in the Morningstar database.



9. Once you’ve finished assigning a data type for all your classifications, click *OK*.

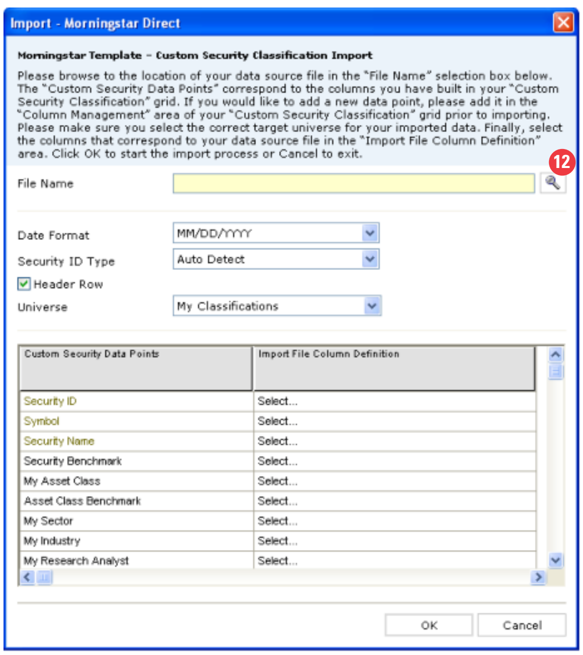


10. You will be taken back to My Classifications view where your columns headings now contain the same headings in your spreadsheet.

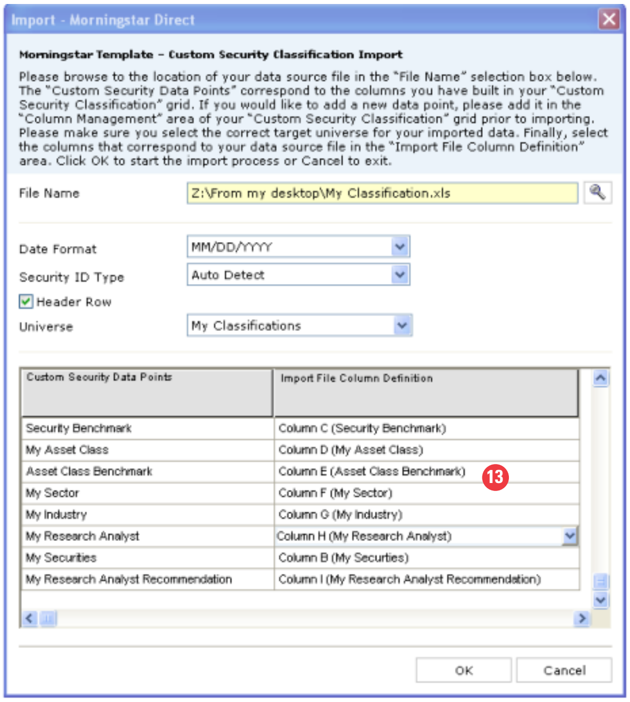


11. Let's proceed and import the data to populate the column headings. Click *Import*.

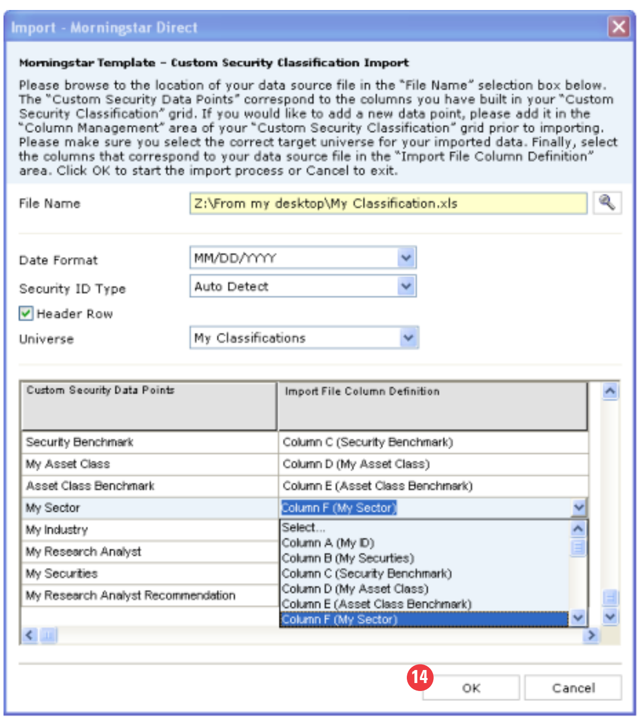
12. You will be taken to the Import dialog box. *Browse* for your file name.



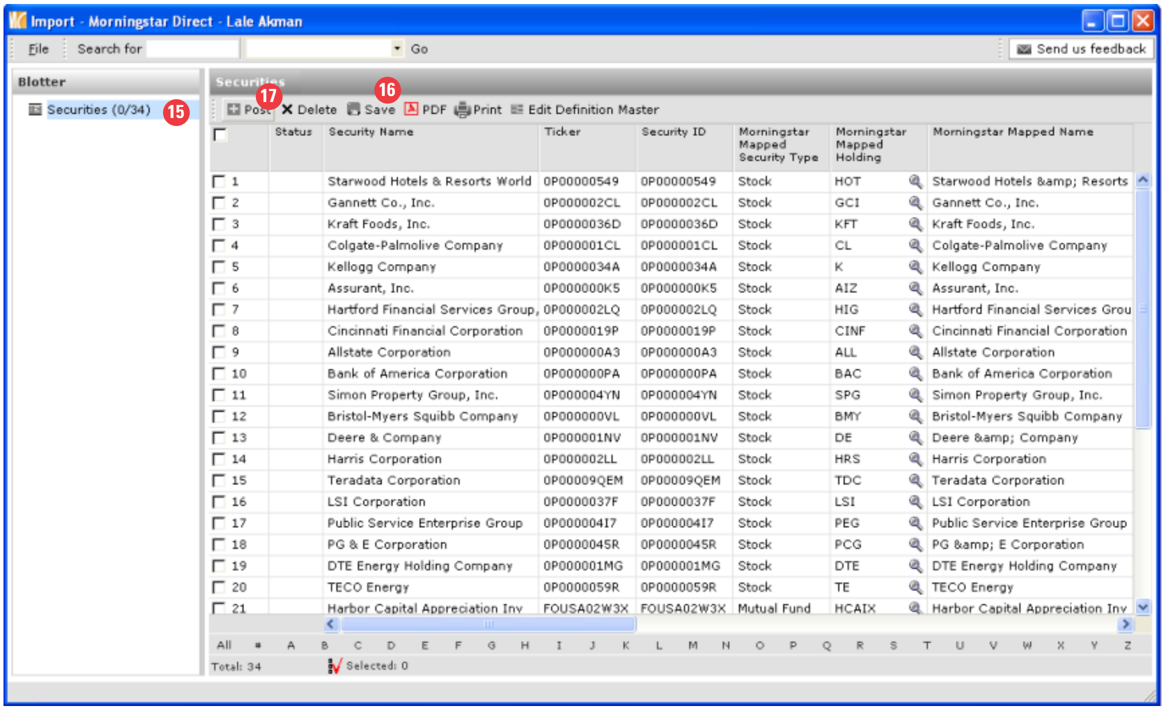
13. As you're retrieving the file, the *Import File Column Definitions* will read the column headings from your spreadsheet .



14. After making sure your Column Definitions is in alignment with your custom security data points, click *OK*.



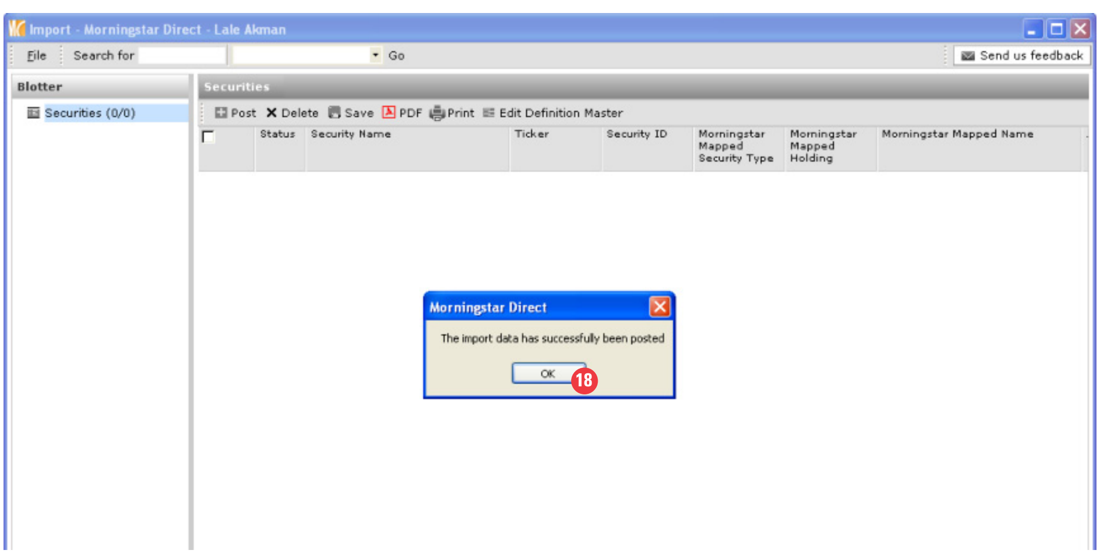
15. You will be taken to the *Securities view*. In the blotter folder, the number of names that matched the security database will be indicated. In our example, all 34 names matched the security database. If it displayed (1/34) in parenthesis, then one security did not match and you would need to pursue to match this security.



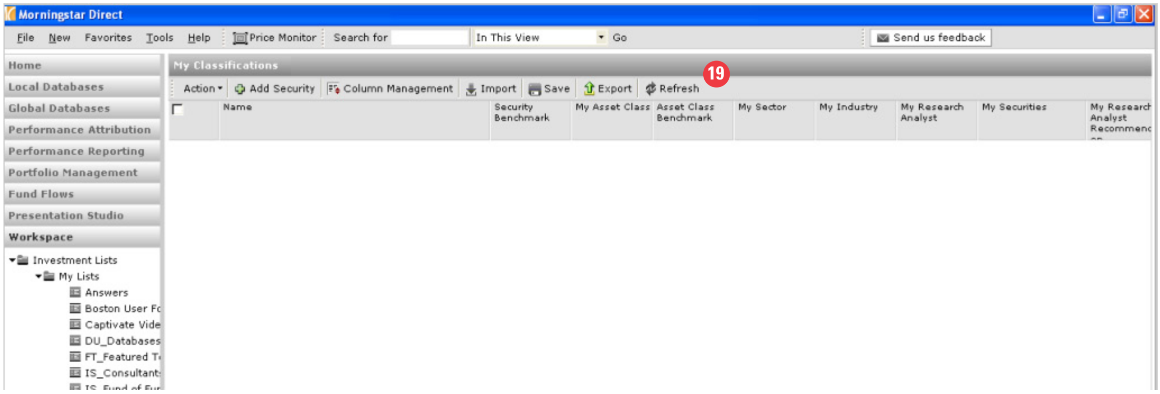
16. If you click *Save*, you can come back to this window at a later point.

17. Once you are ready to proceed, click *Post* to post your information.

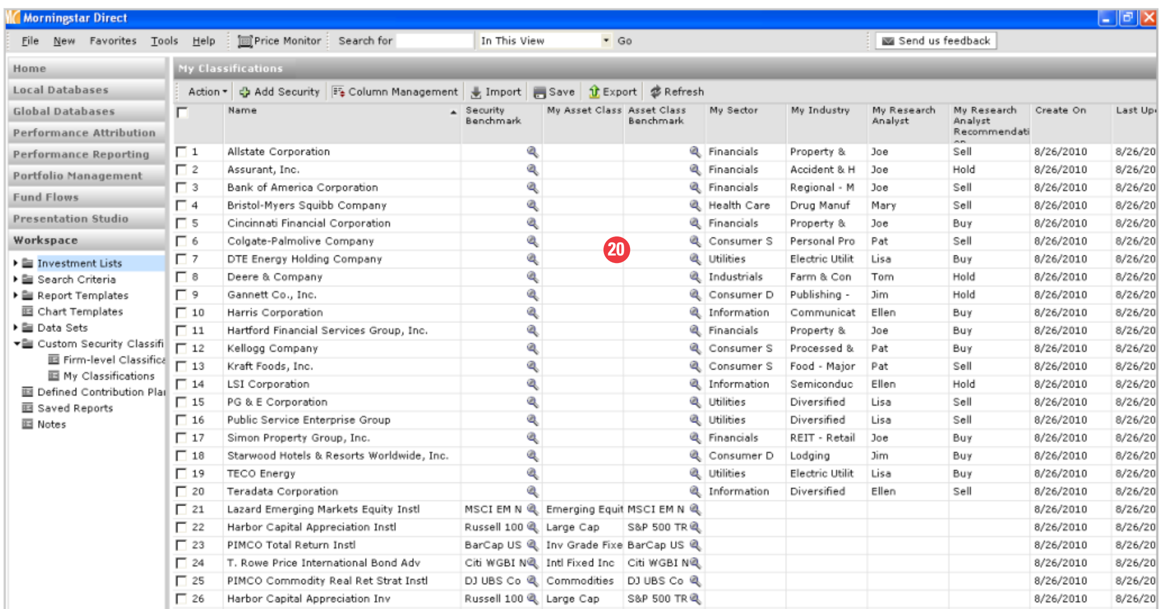
18. A pop-up will appear to state that your data has been posted successfully. Click *OK*.



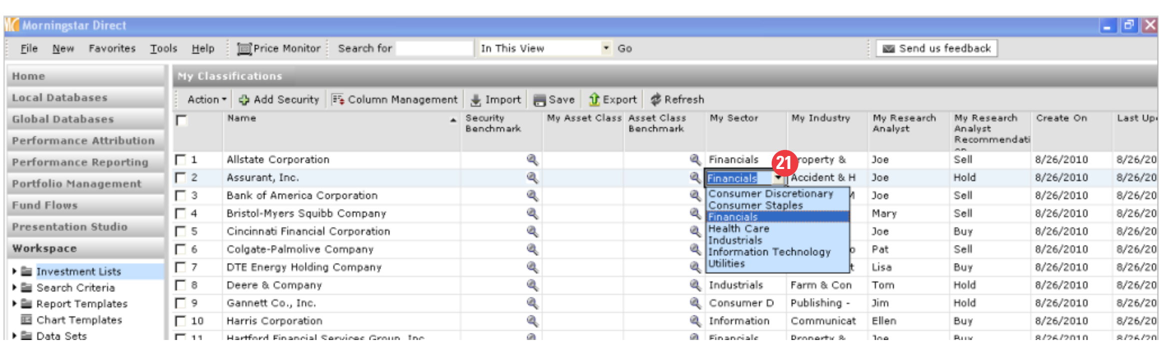
19. You will be taken back to My Classification view. Click *Refresh* to populate your screen.



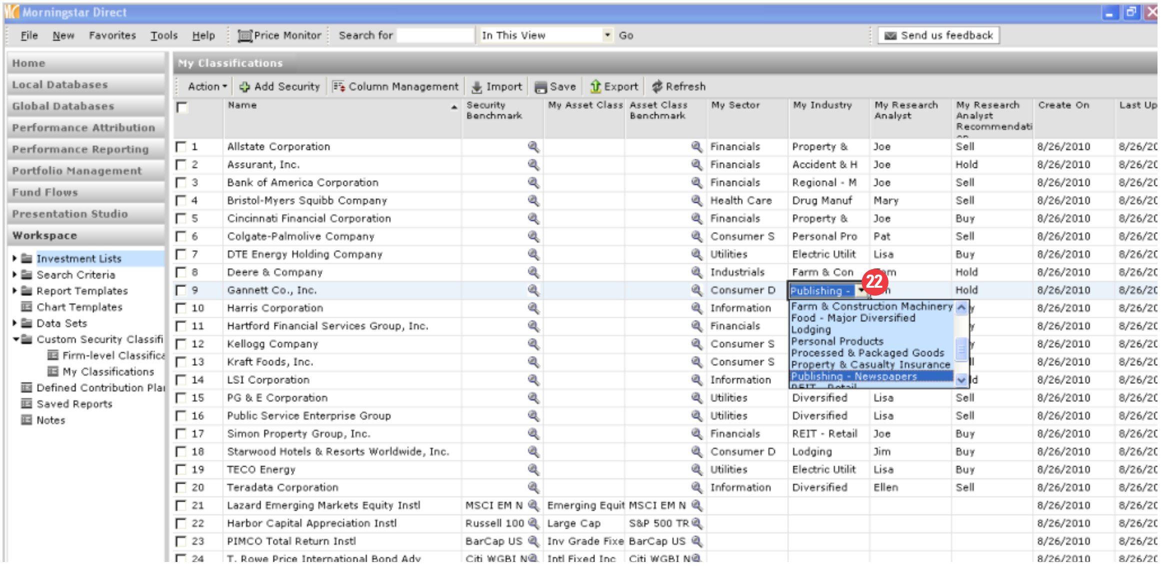
20. As you can see, all the content in our spreadsheet now populates *My Classification view*.



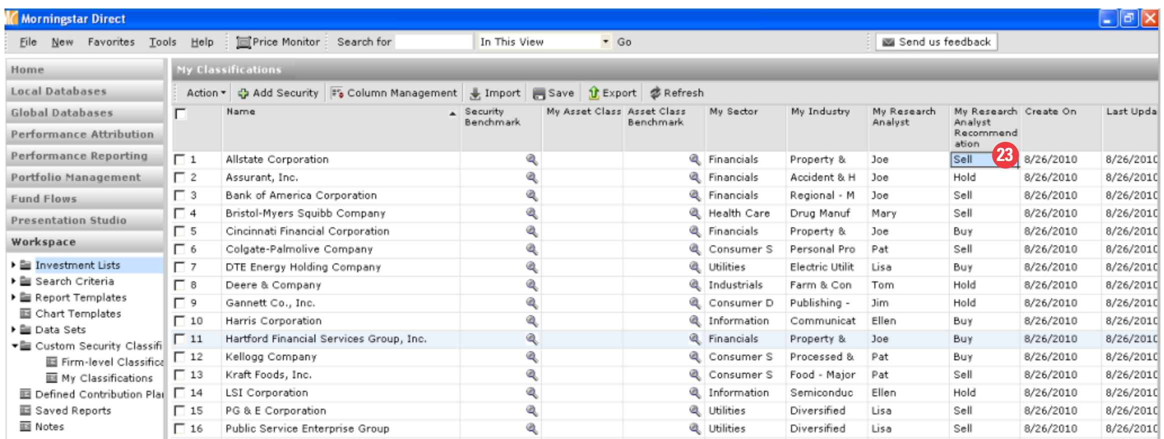
21. At any point, you can alter the information you imported. For example, go to *My Sector* column and click on the drop-down where you can easily select another sector for that given security.



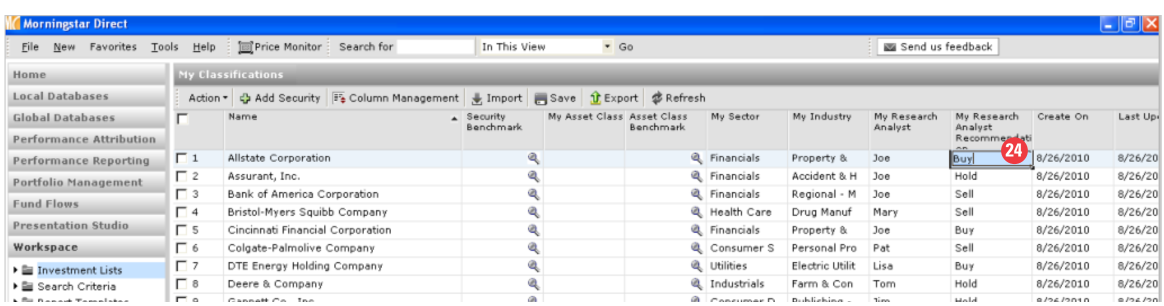
22. Go to *My Industry* column where you can easily select another industry for that given security.



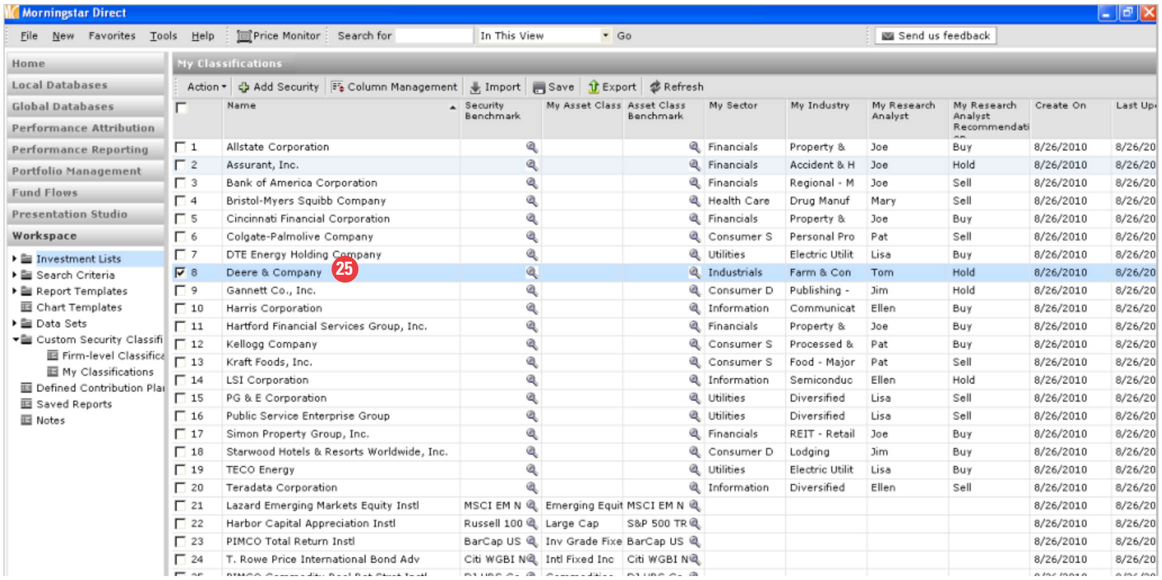
23. Go to the *My Research Analyst Recommendation* column and you can easily type in another recommendation.



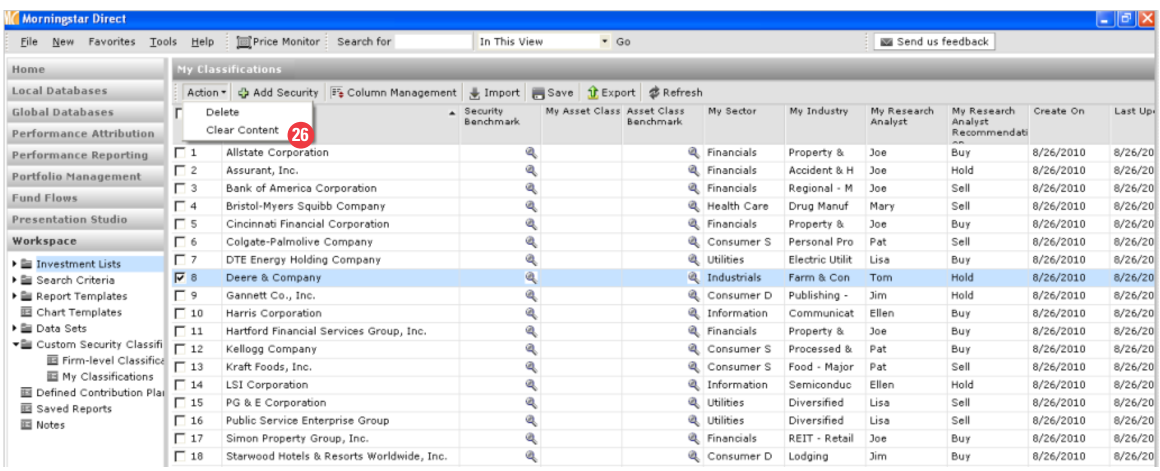
24. For example, change the Sell recommendation to a *Buy*.



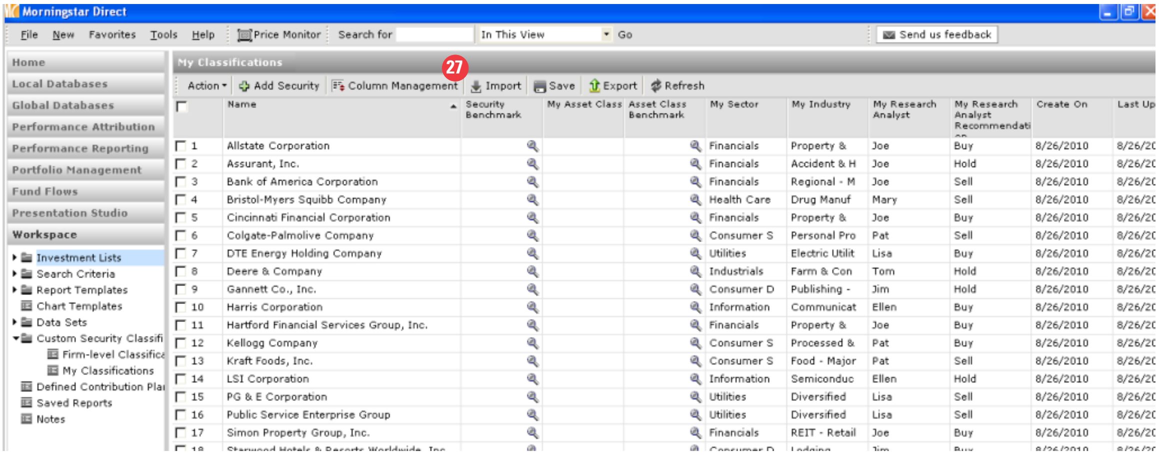
25. At any point, you can also completely clear the contents of a security or managed account and retype the new information. For example, *highlight one of the securities*.



26. Go to Action and you can click on *Clear Content*. If you chose to entirely remove the security and managed account, then click Delete.

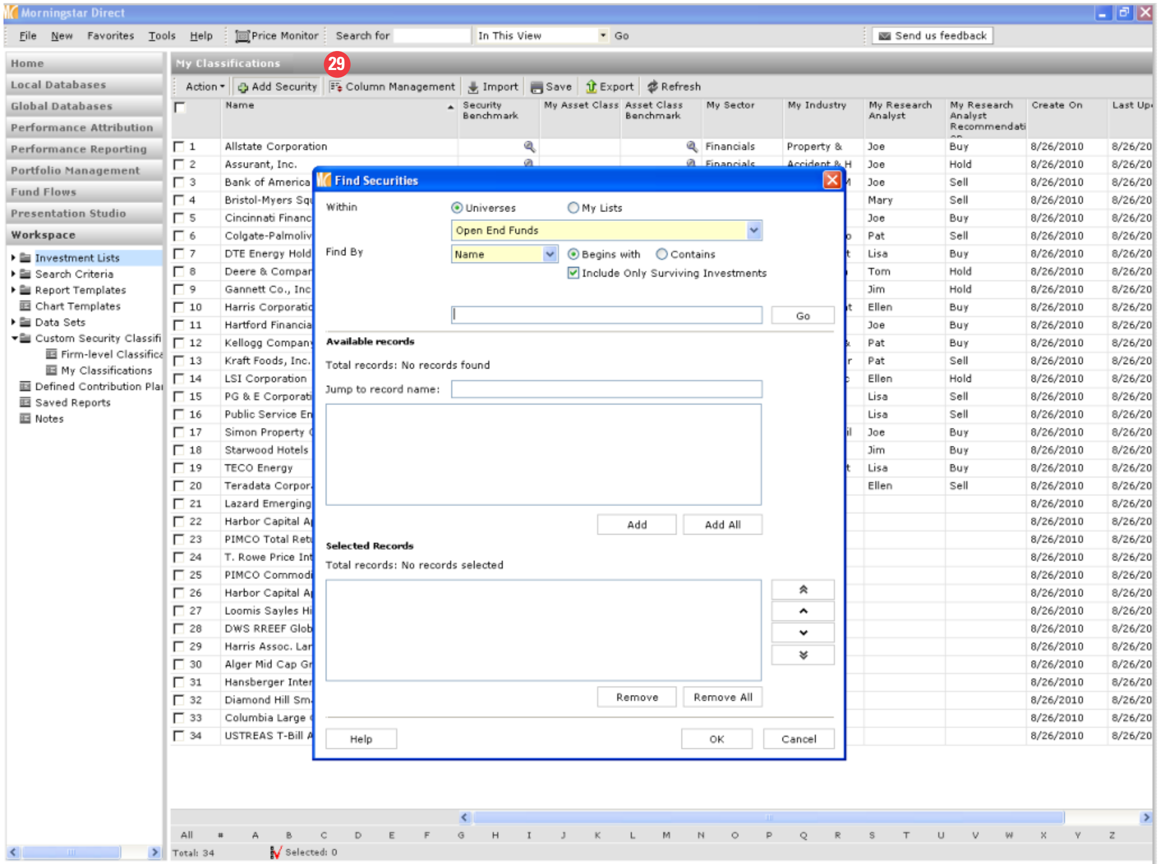


27. If you want to add or delete columns, you can do so easily by clicking on *Column Management*.

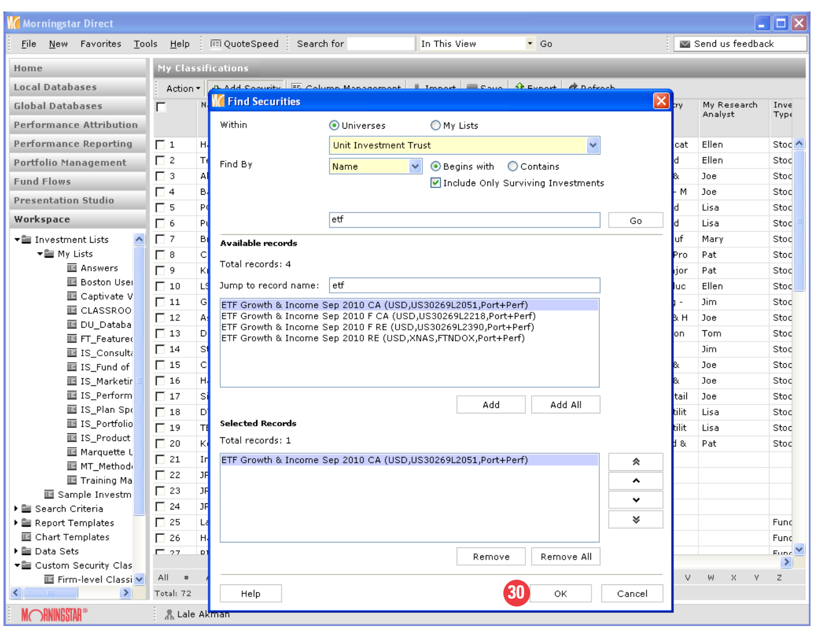


28. In the column management window, click on *Add* to add new column or *Delete* to delete existing column.

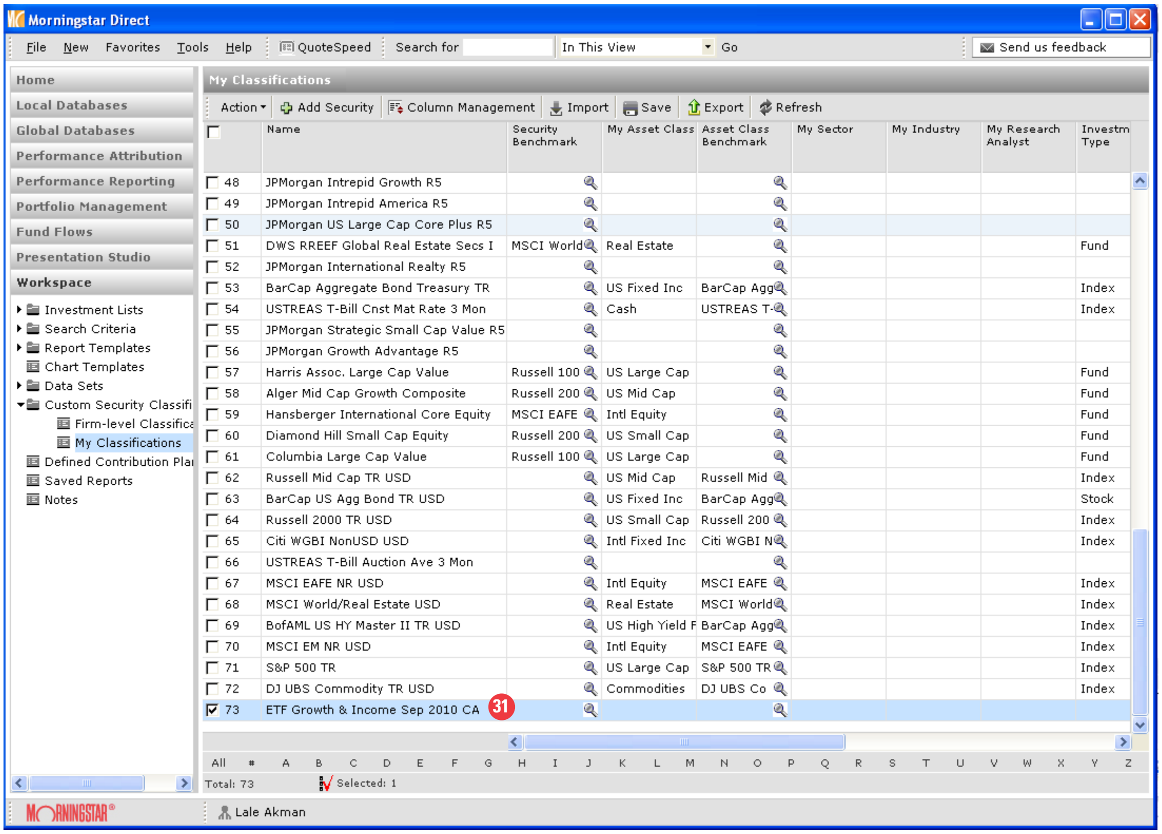
29. Lastly, you can also add a new security by simply clicking on *Add Security*. You will be taken to the *Find Securities* window.



30. Locate your security or managed account and then click *OK*.



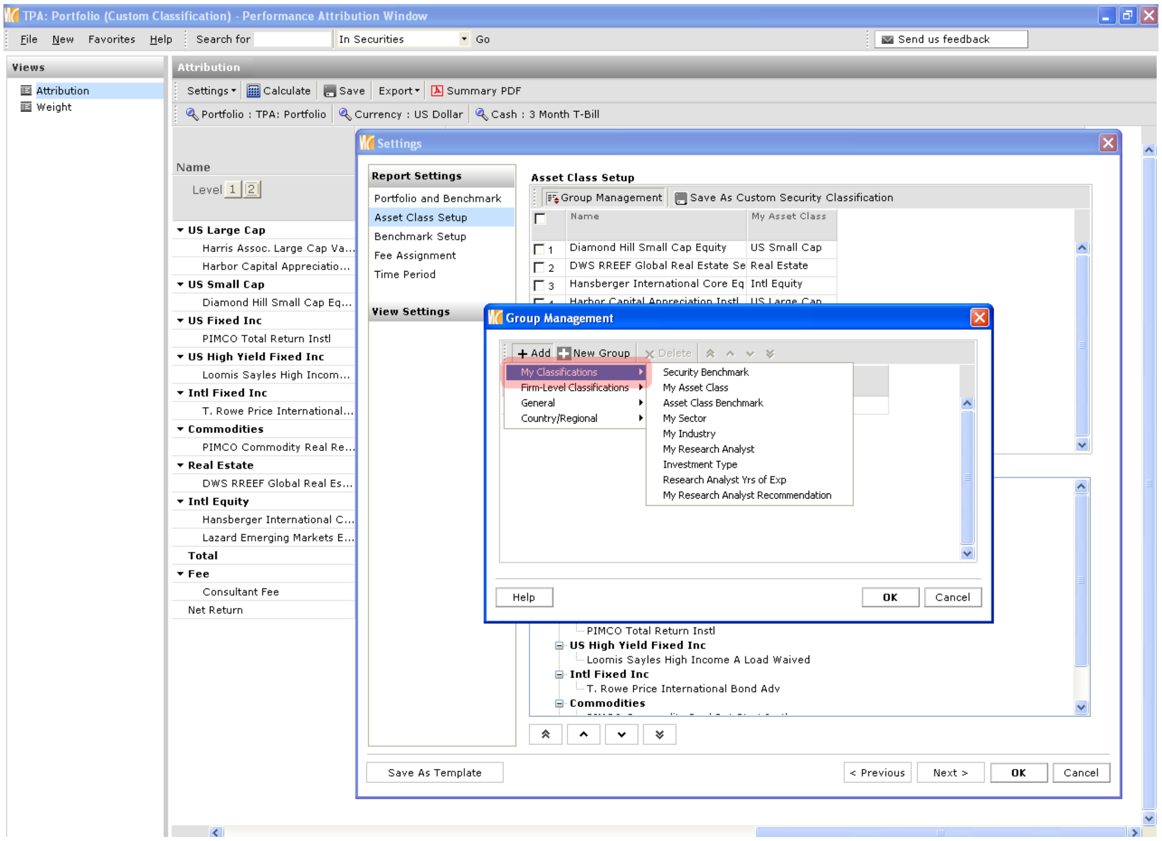
31. In My Classifications view, you can continue to fill in the content for the new security.



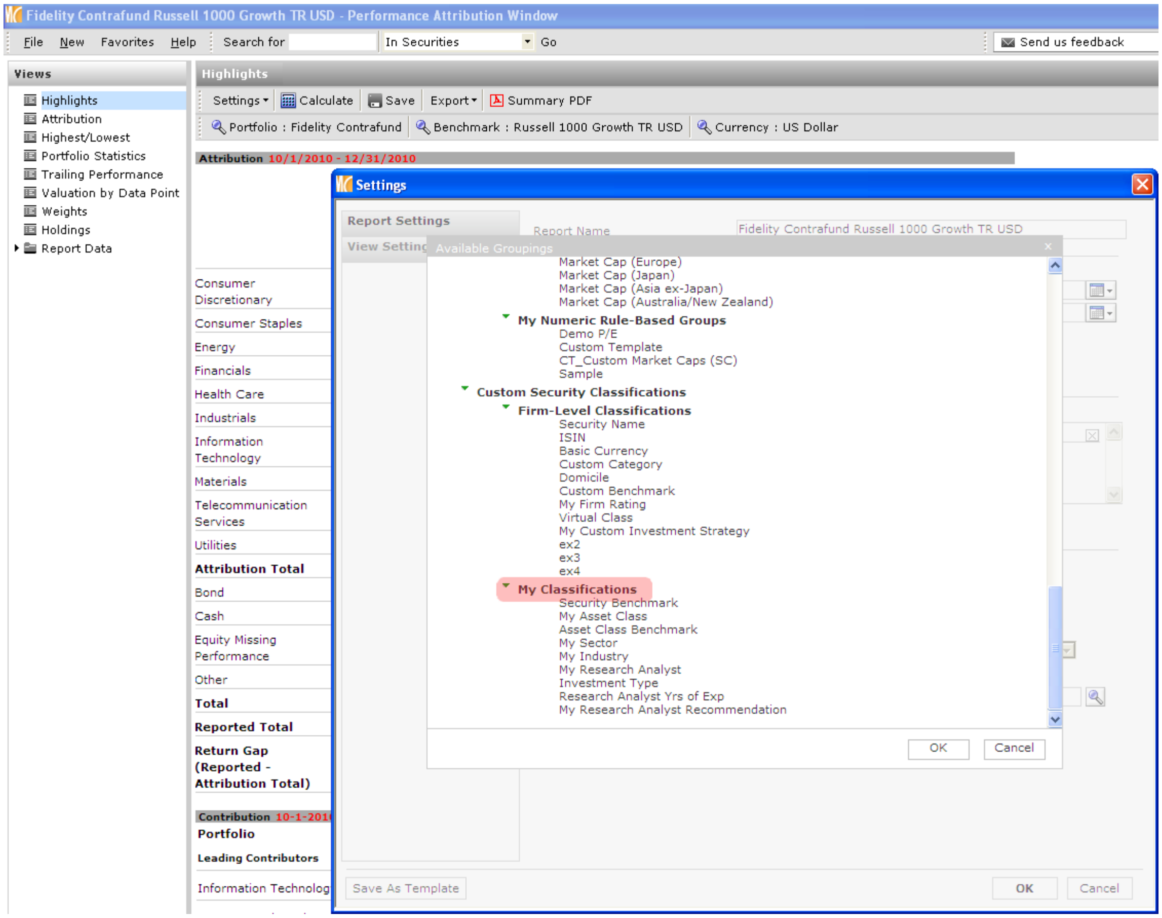
Apply your Custom Classifications to Various Applications

Now that we have completed creating our custom classifications, you can apply the custom groupings Performance Reporting, Equity Attribution, and Total Portfolio Attribution. You can also apply your custom benchmark to Presentation Studio's batch management tool.

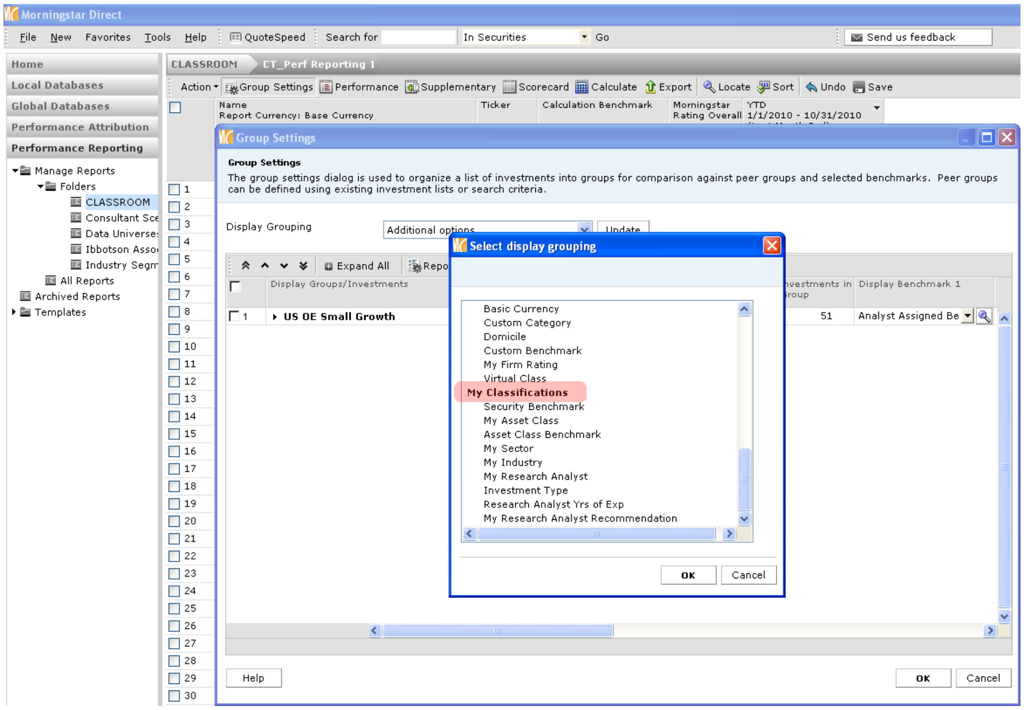
Total Portfolio Attribution:



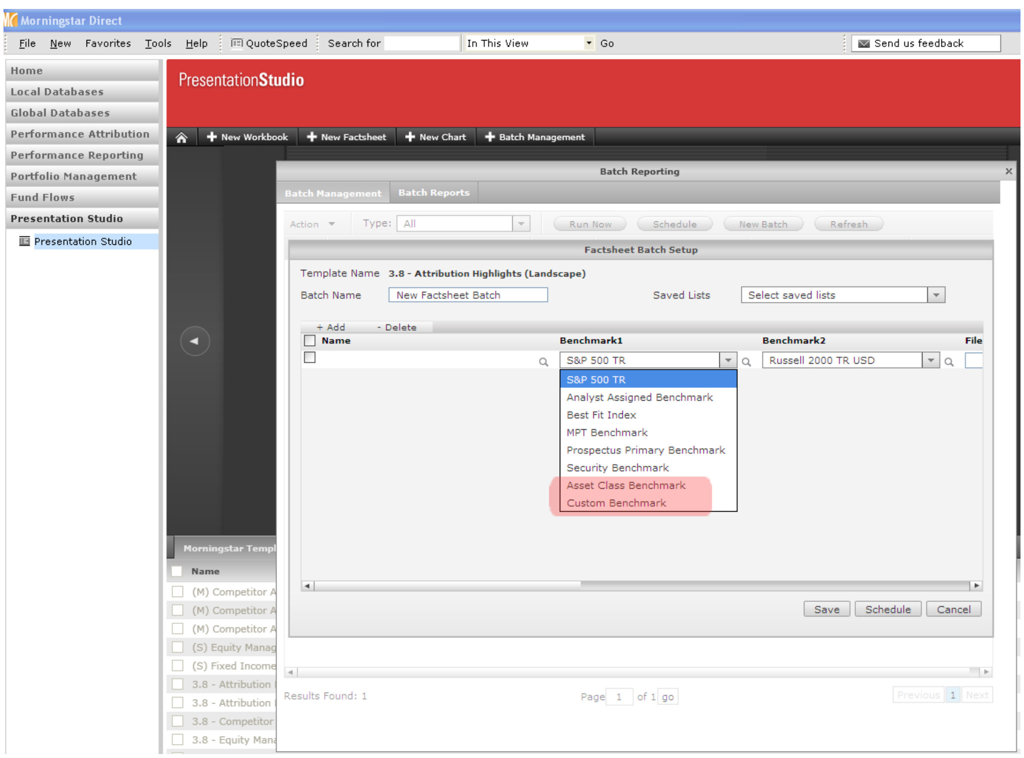
Equity Attribution:



Performance Reporting:



Presentation Studio:



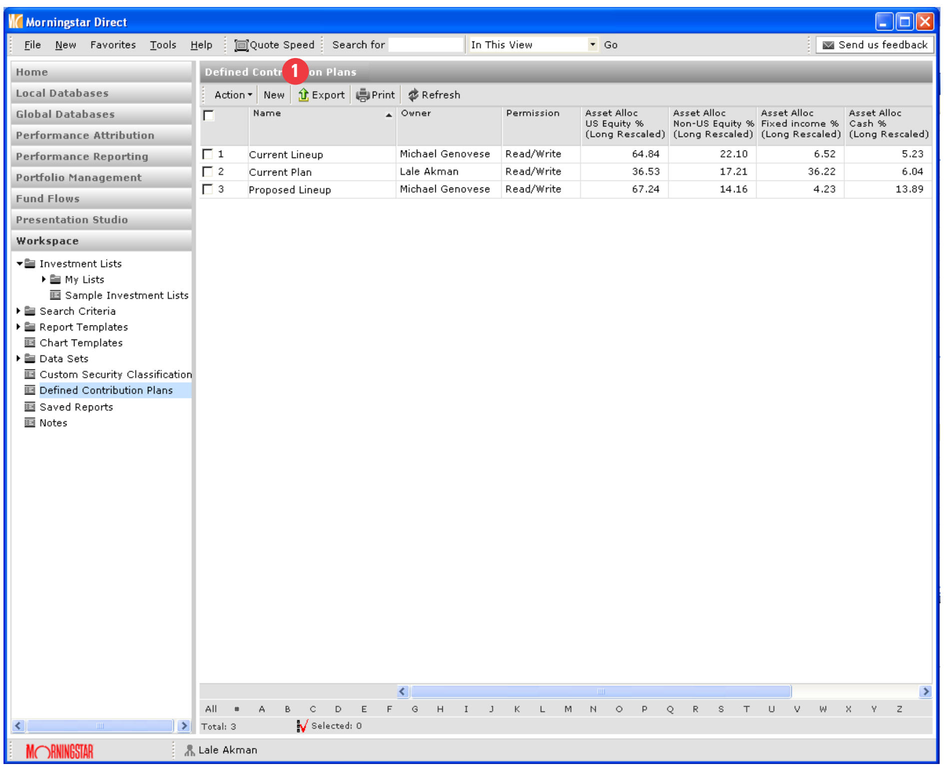
Defined Contribution Plans

The Defined Contribution Plans tool is designed to help retirement plan sponsors and advisors build strong, diverse fund lineups, and present them to clients in easy-to read reports. They're designed to showcase due diligence efforts, highlighting performance, fees, and style statistics. Use these reports to profile a single plan, or to produce a comparison report that makes the case for new offerings.

The investment universes currently available in the Defined Contribution Plans tool are U.S. Open End Funds, U.S. Exchange Traded Funds, U.S. Variable Annuity Subaccounts, and U.S. Variable Life Subaccounts

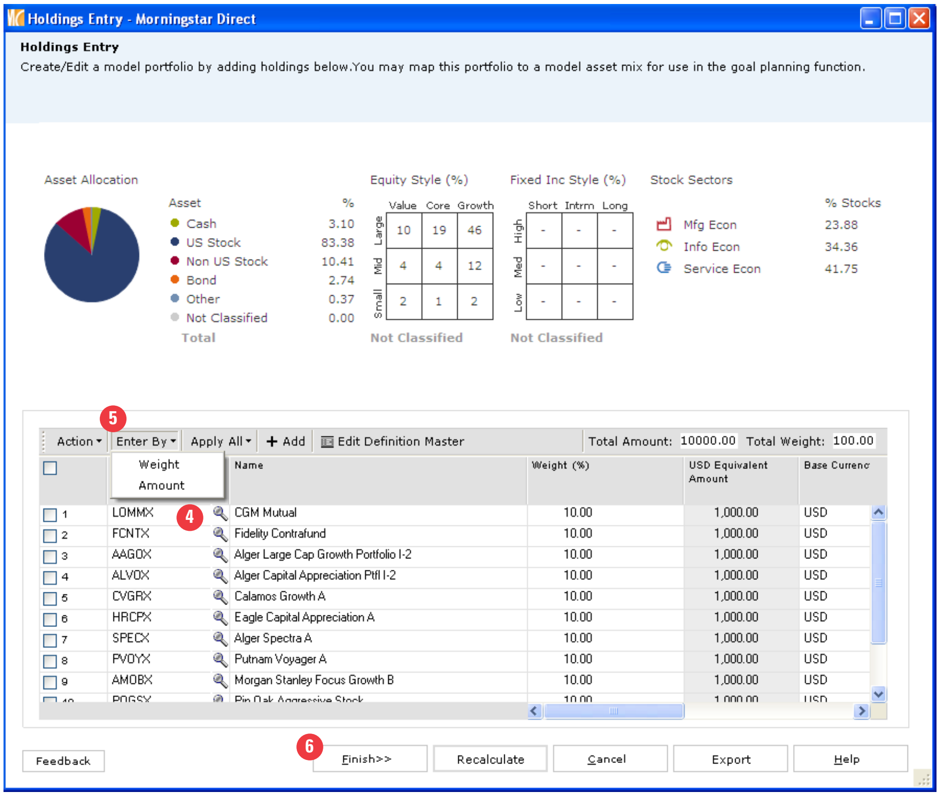
Create a New Defined Contribution Plan

1. Go to the Defined Contribution Plan folder under Workspace and click on New.



2. Once you input the new Contribution Plan Name, select a Benchmark.

3. Click Next and you will be taken to the Holdings Entry window.

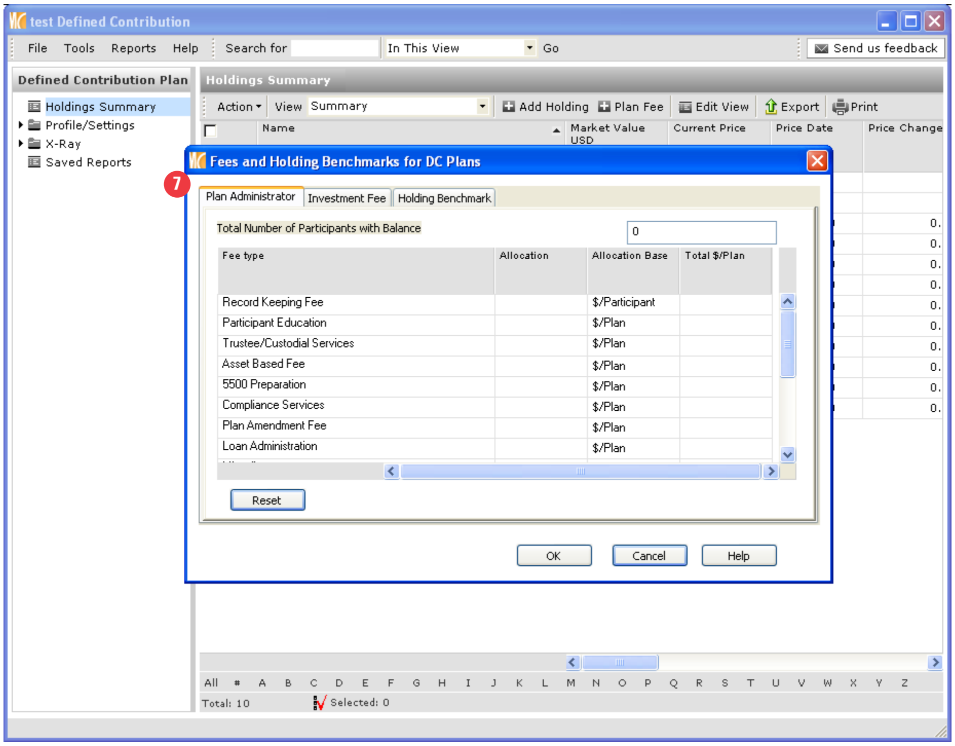


4. Begin to add your holdings by using the +Add to search for single or multiple investments from a universe or your investment list. The same action can be implemented by using the magnifying glass in the Symbol column.

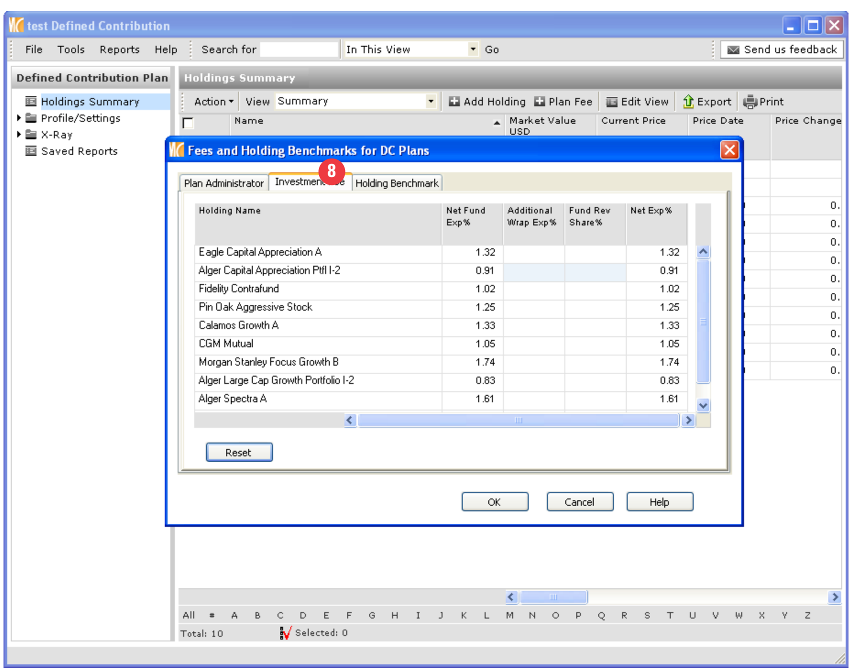
5. Go to Enter By where you can create your asset mix by entering Weights or the Dollar Amount. If you click on Apply All, you can automatically assign equal weights to each investment.

6. Click Finish and you will be taken to the Defined Contribution Window.

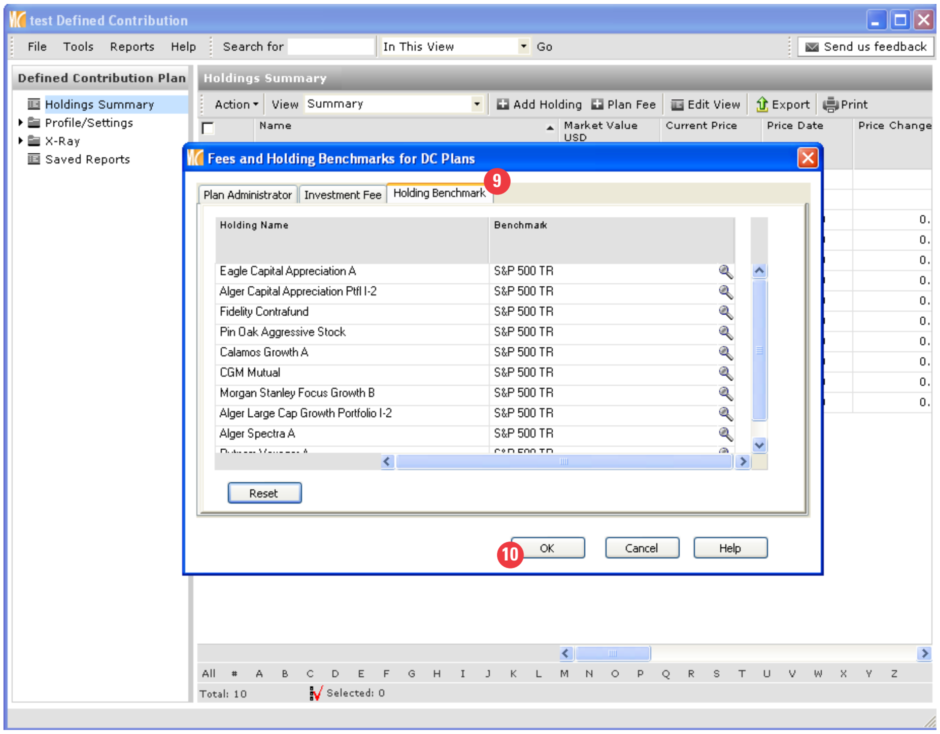
7. In the Plan Administrator tab, enter your fees that pertain to Recurring Plan Adminis-trative Fees and Expenses, One-time Expenses, and more.



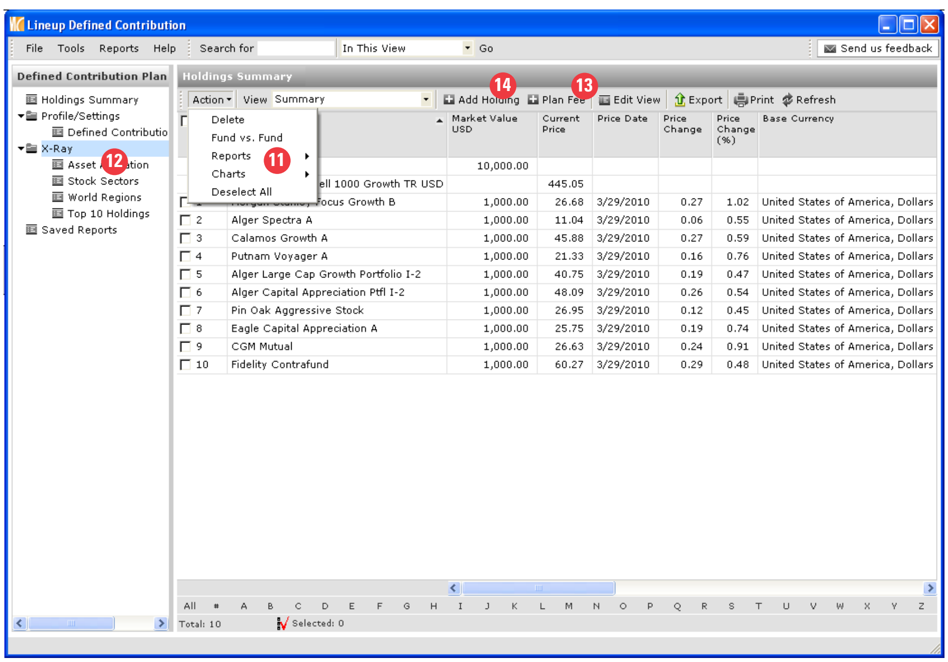
8. Go to the Investment Fee tab to view holding level fees. As Morningstar retrieves Gross Expenses from our databases, these are not editable. You can enter Additional Wrap Expense% fees and Fund Revenue Share % fees. Once complete, the Net Exp% will automatically calculate.



9. Go to the Holding Benchmark tab to edit each the benchmark for each holding.



10. Click Ok to be taken back to the Define Contribution Plan window.



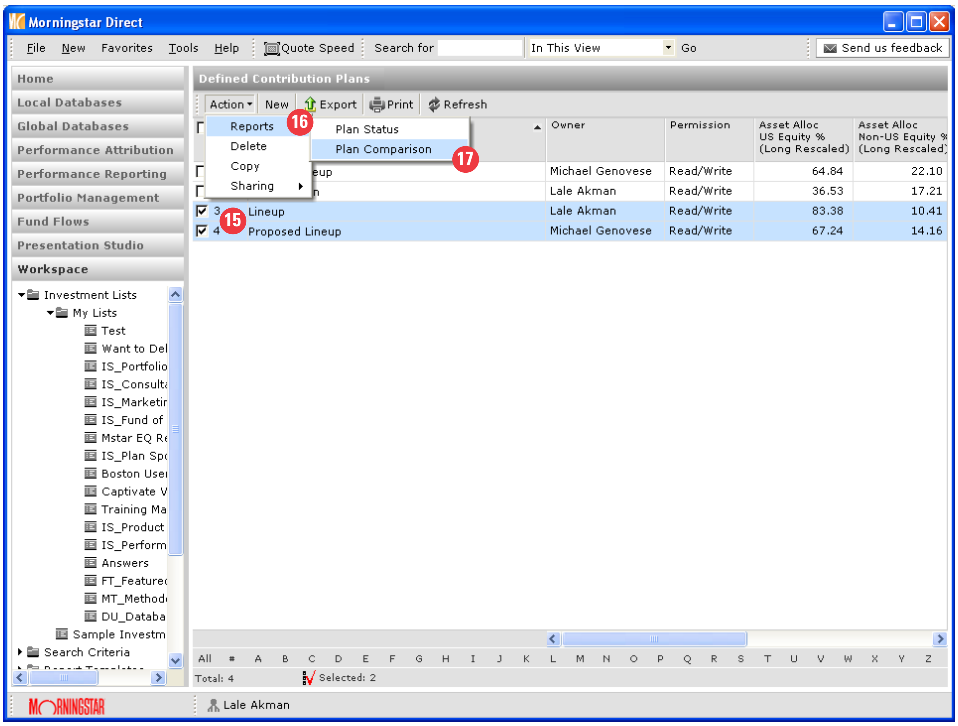
11. From this window, you can quickly access various Charts and Reports on the individual investments.

12. Click on the X-Ray to view the new Contribution Plan's asset allocation and more.

13. Click on Plan Fee to alter any of the fees.

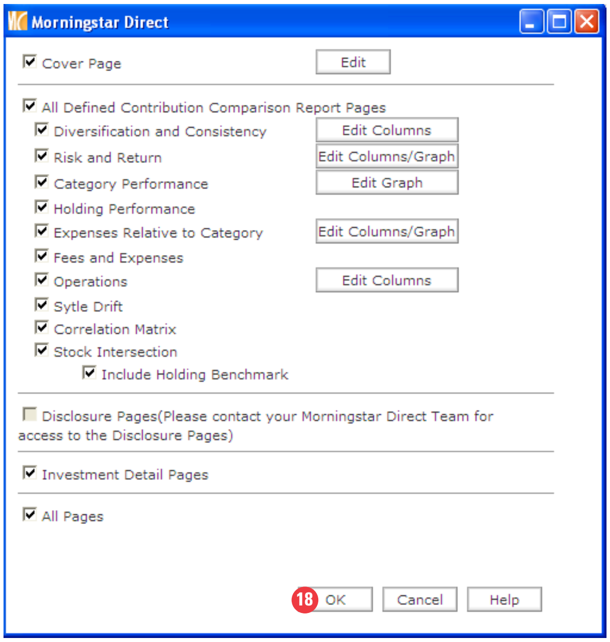
14. Click on Add Holding if you want to add additional investment to your lineup.

15. Close the Defined Contribution Plan window and you will be taken back to the grid view. Click on the New Plan by itself or you can compare to another proposed Lineup.



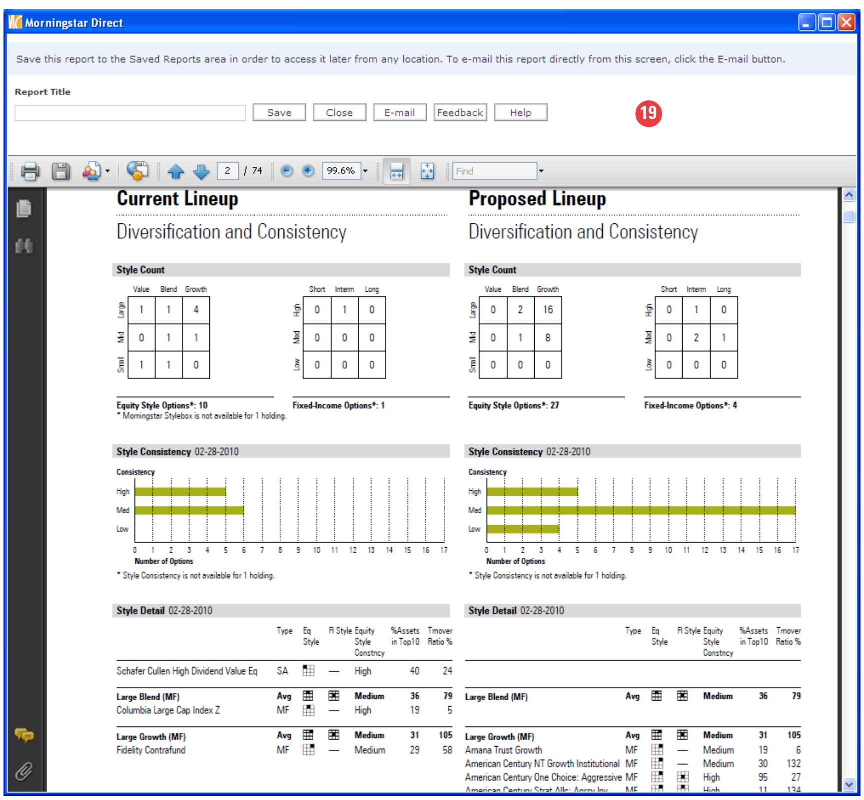
16. Go to Actions and click on Reports.

17. Select Plan Comparison and you will be taken to a dialog box to select your output choices.



18. Once complete, click OK to generate your report.

19. You have now successfully completed creating a Defined Contribution Plan Report.



Hypothetical Illustration

The Hypothetical Illustration tool allows you to develop investment scenarios over past historical periods. Hypothetical Illustration may involve individual securities or a portfolio of securities. Sections of the report include:

Distribution and Withdrawal Summary report shows you the dividends, capital gain distributions and withdrawals that were either taken from or reinvested back into investments over the hypothetical period.

Portfolio X-Ray report details a portfolio's holdings in terms of broad asset class exposure, style box breakdown by Equity and Fixed-Income holdings, and regional exposure.

Portfolio Snapshot report contains both holdings and performance information for a portfolio of investments.

Stock Intersection report shows you the overlap for the top 25 underlying holdings in a portfolio.

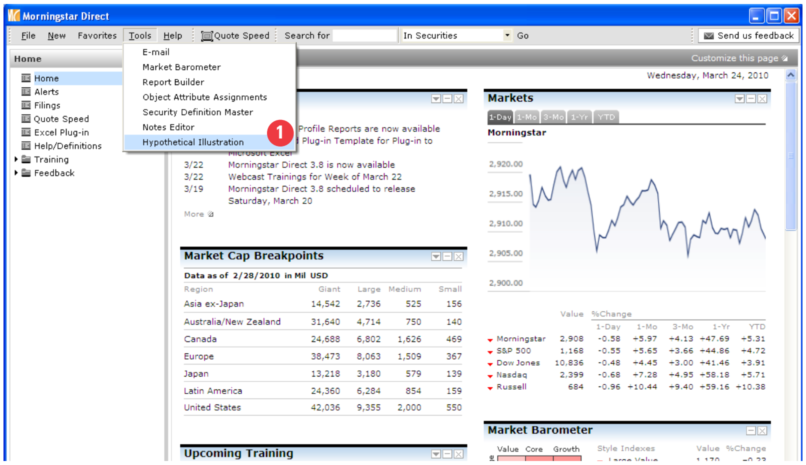
Correlation Matrix graphs the correlation of a set of securities. The graph is color-coded to indicate the degree of correlation, ranging from High to Highly Negative.

Investment Details one-report summarizes the information for each investment in the portfolio.

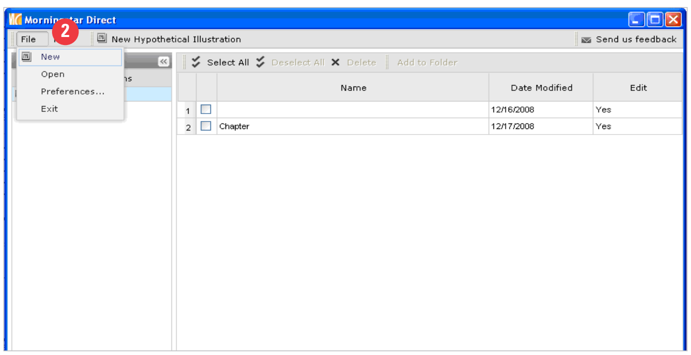
Price and Distribution report shows you the change in NAV for a fund going back to its inception date (or the earliest price available in Morningstar's database. You can also see the dividend and capital gain distributions for a fund on this report.

Disclosure Materials must be included in order for the hypothetical illustration NASD complaint.

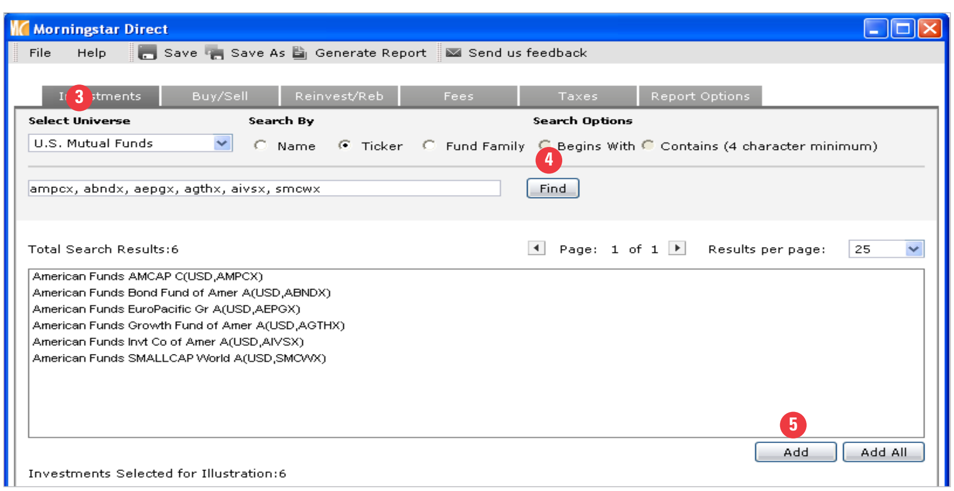
1. Go to Tools and select Hypothetical Illustration.



2. Go to File and select New.



3. Select your Universe and use the Search options.

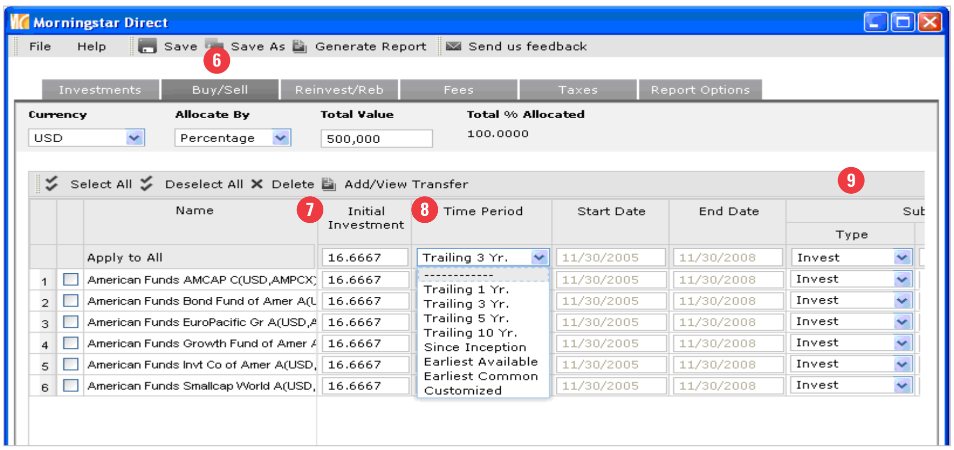


4. Enter your investments in the Find search bar and click Find.

5. Select investments and click Add.

6. Click the Buy/Sell tab.

7. Enter your Initial Investment values.

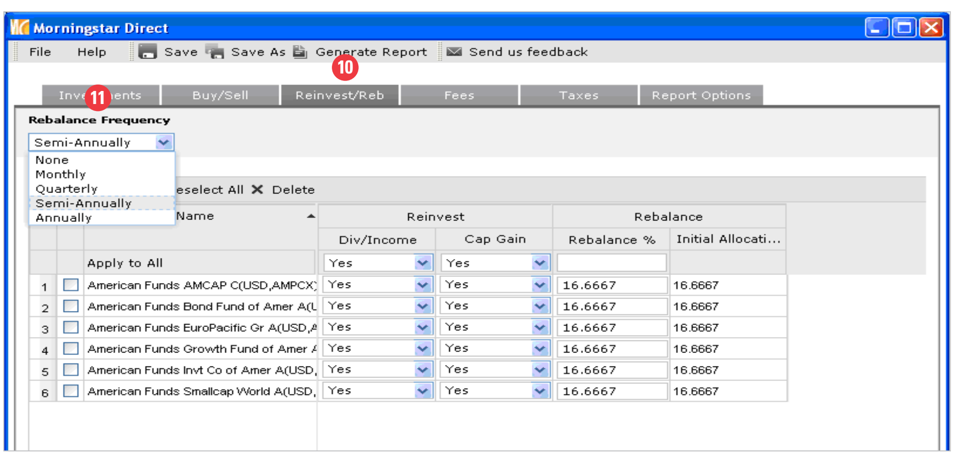


8. Select your preferred Time Period.

9. Scroll to the right to indicate any subsequent investments or withdrawals.

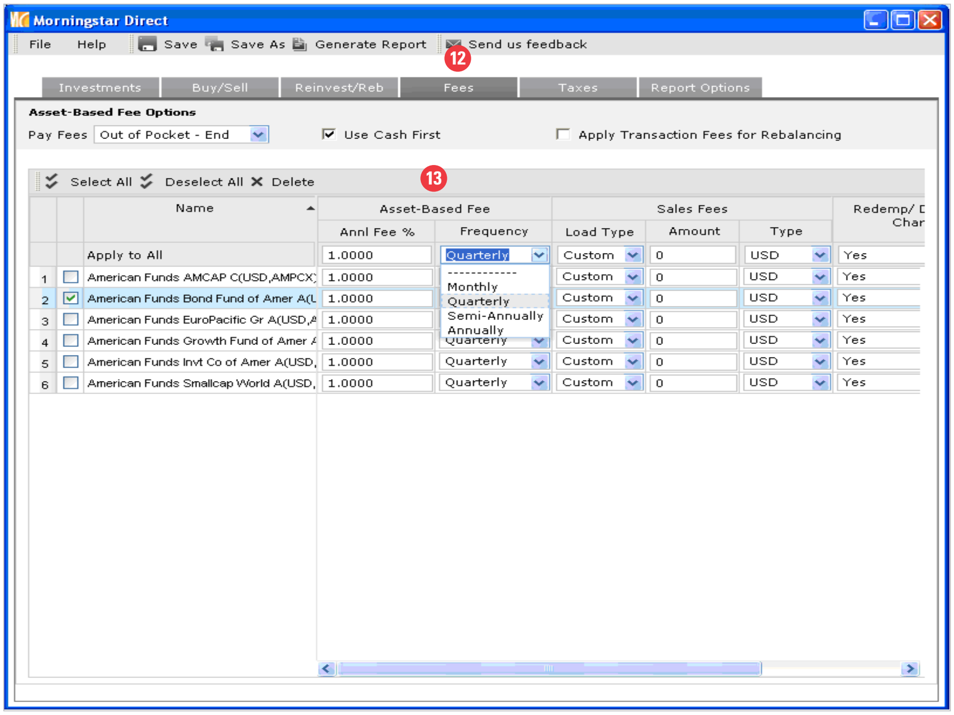
10. Click the Reinvest/Reb tab at the top of the window.

11. Choose your Rebalance Frequency.



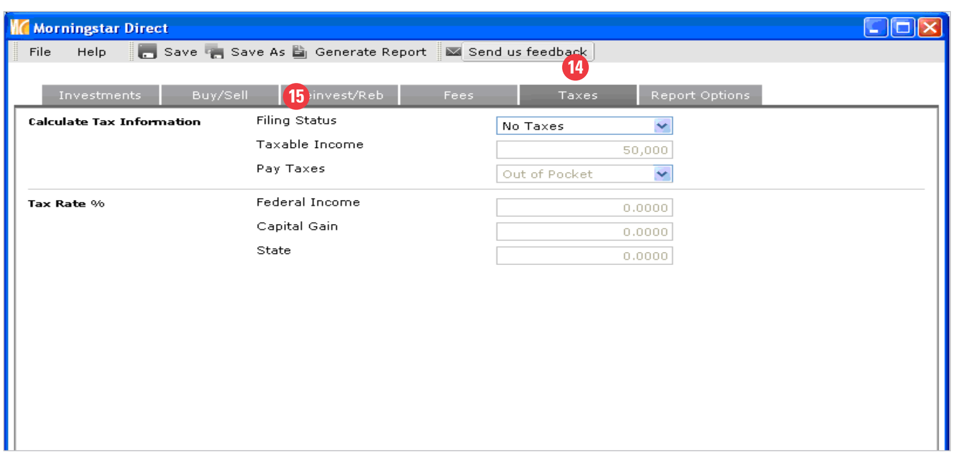
12. Click the Fees tab.

13. In the Asset-Based Fee area enter your Annual Fee% and your preferred Frequency.



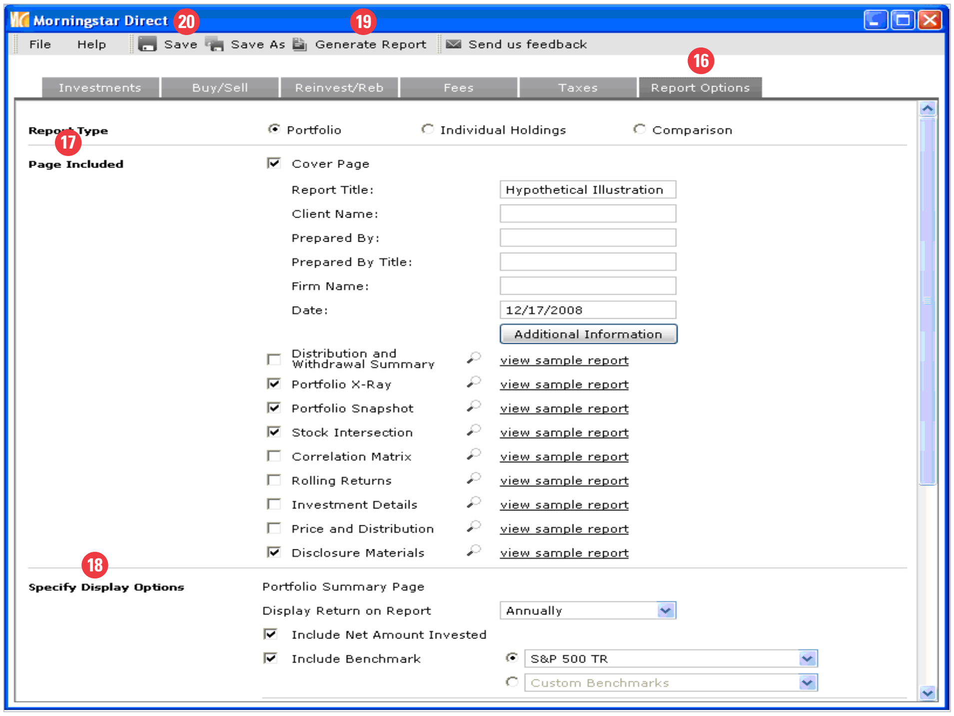
14. Click the Taxes tab.

15. Select your Filing Status preference. If you apply Taxes to a Taxable Income, the Federal Income field automatically updates with the correct value. You can overwrite this value, or any of the other tax fields.



16. Click on the Report Options tab.

17. Customize your cover page and report options.



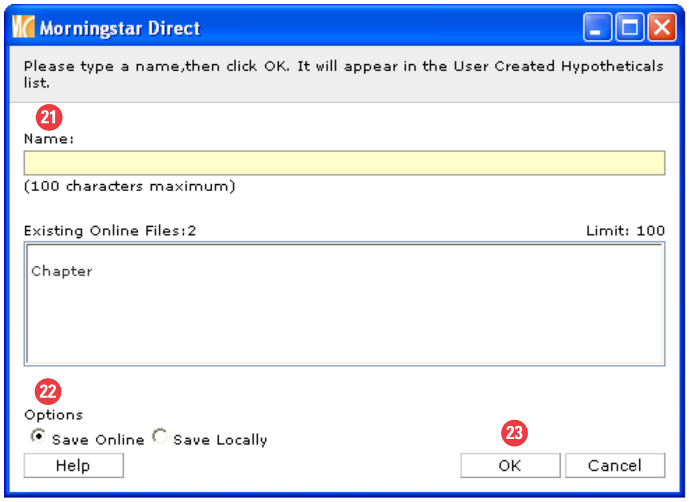
18. From the Specify Display Options area, select from the various options. If you did not make any subsequent investments in the hypothetical, it is not necessary to check the Net Amount Invested box, because this will simply produce a flat line on the hypothetical return graph at the amount of the initial investment.

19. Click the Generate Report button.

20. Click the Save button.

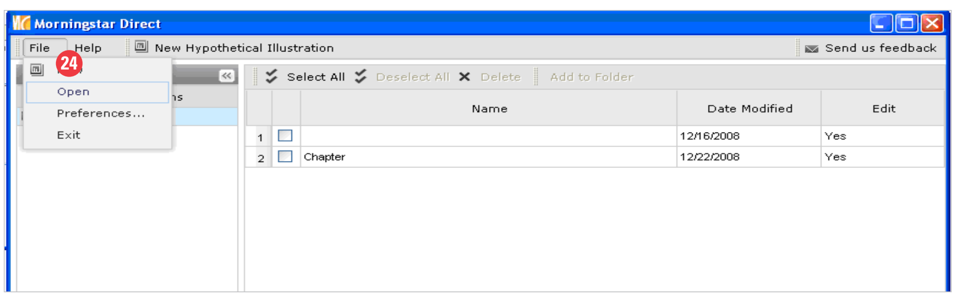
21. Name the Hypothetical Illustration.

22. Choose if you want to save your illustration Online (archived in Morningstar Direct) or Locally (saved to your computer).



23. Click OK.

24. To open a hypothetical you saved locally, go to the File menu, select Open.

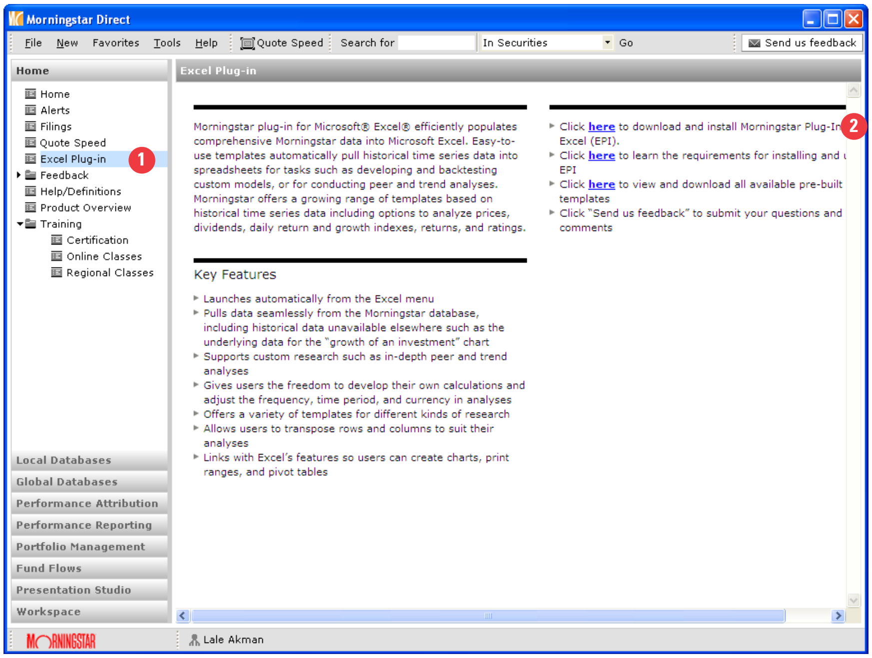


Microsoft Excel Plug-in

Morningstar plug-in for Microsoft® Excel® efficiently populates comprehensive Morningstar data into Microsoft Excel. Easy-to-use templates automatically pull historical time series data into spreadsheets for tasks such as developing and backtesting custom models, or for conducting peer and trend analyses. Morningstar offers a growing range of templates based on historical time series data including options to analyze active share, top holdings, returns based style analysis, prices, dividends, returns, ratings, capital gains, rolling risk, and much more.

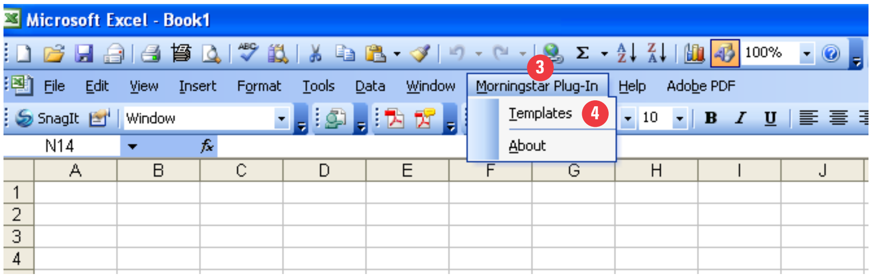
Generate Excel Plug-in Output

1. Go to the Excel Plug-in subfolder from the Home folder. Click on *Excel Plug-in*.

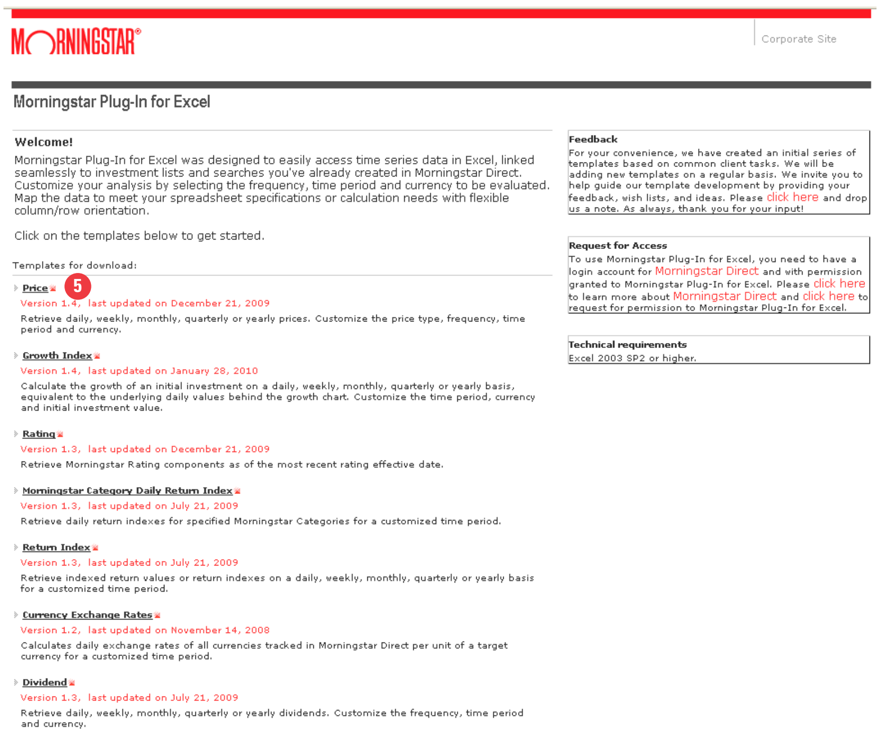


2. If you haven't installed the Microsoft plug-in for Microsoft Excel, then go through the process by pressing *Click here to download and install Morningstar Plug-In Excel*.

3. Once the installation is complete, you will see the Morningstar Plug-In option in your Excel menu bar. Click on *Morningstar Plug-In*.

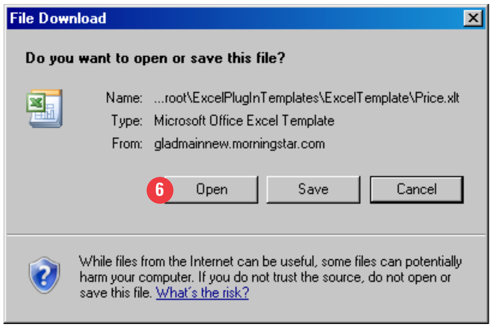


4. Click *Templates* and you will be taken to the Templates window listing all the available pre-built templates. You can also gain access to the same window from the Excel Plug-In folder in Morningstar Direct by clicking on the link that says "Click here to view and download all available pre-built EPI templates", as shown in image #1.

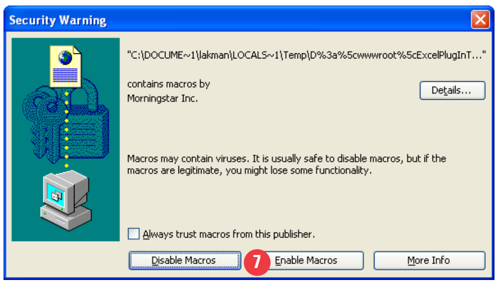


5. Click on the *Price* template and you will be taken to the File Download dialog box.

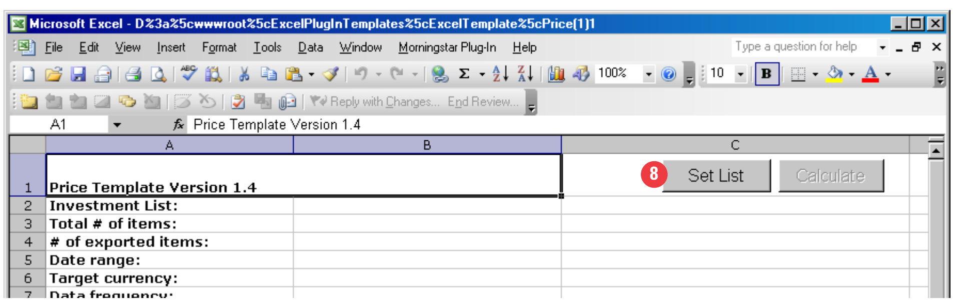
6. Click *Open*.



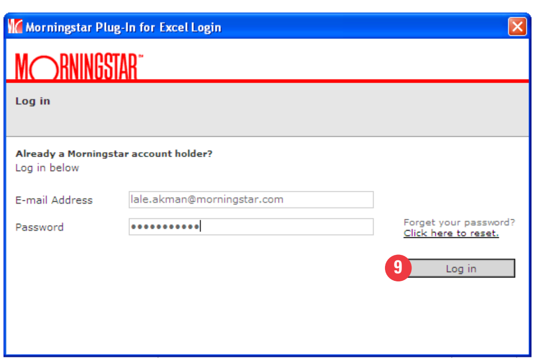
7. Click on *Enable Macros to launch Microsoft Excel.*



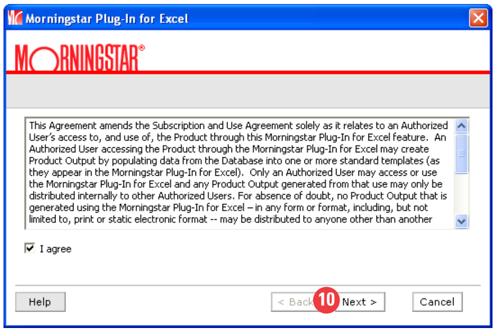
8. Click on *Set List* from the Microsoft Excel screen.



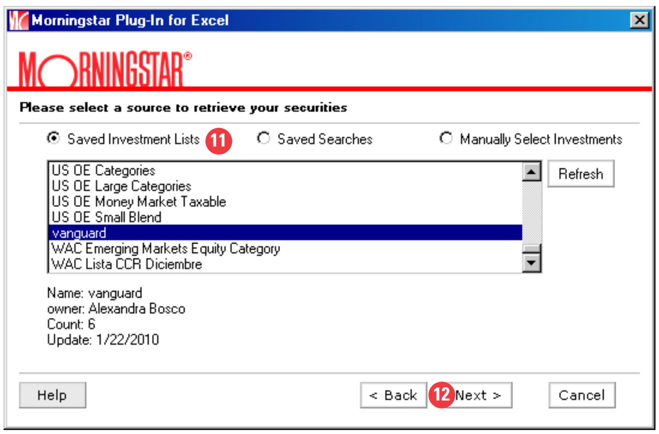
9. You will be prompted to sign-in using your Morningstar Direct credentials. After entering your credentials, click *Log in*.



10. Review the Morningstar Plug-in for Excel Agreement and check off the “I agree” box. Click *Next*.

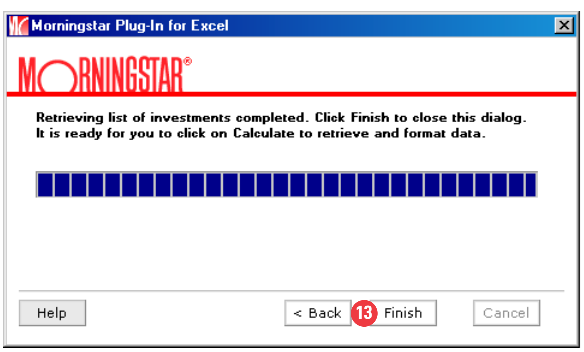


11. Select investments by accessing *saved investment lists or saved searches*, or by manually selecting investments. In this example, select a Saved Investment Lists and select one of your investment lists.

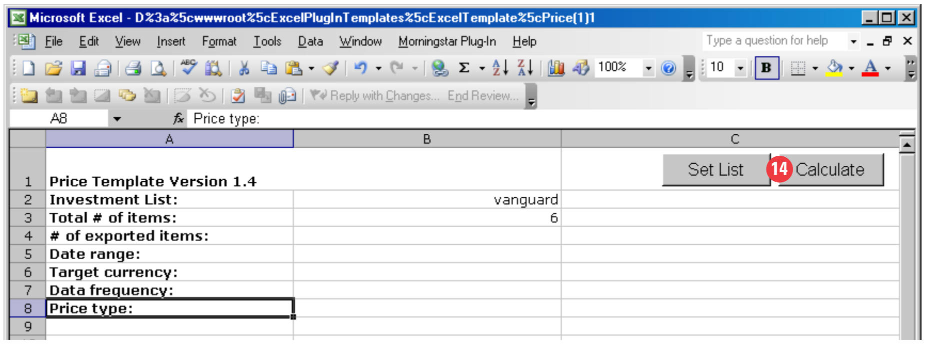


12. Click *Next*.

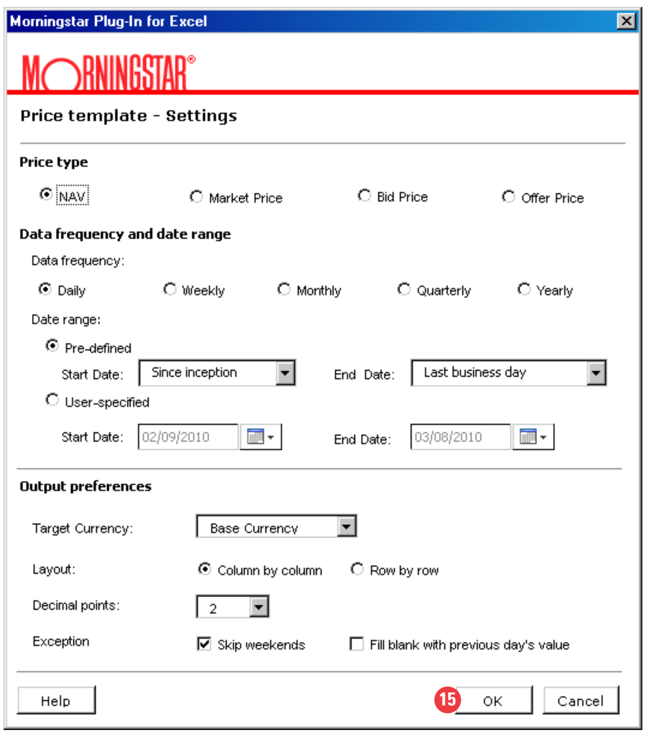
13. After investments have been retrieved, click *Finish*.



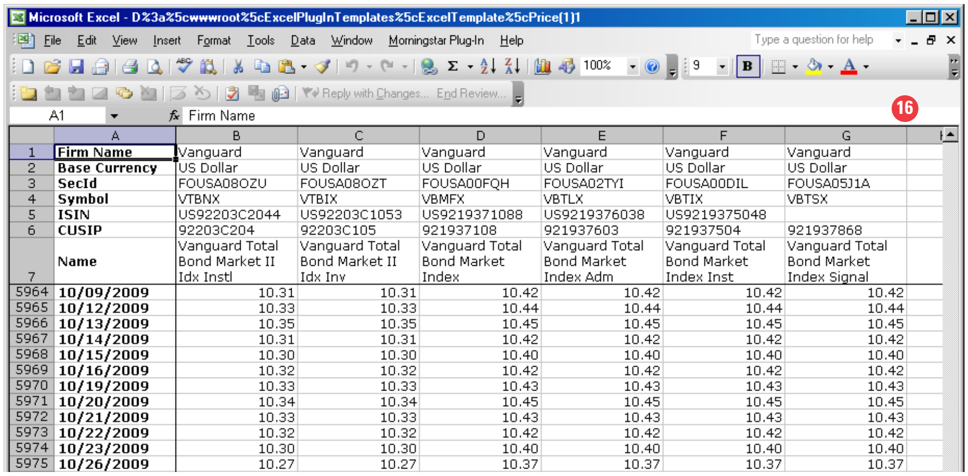
14. This will take you back to the summary tab of the Excel spreadsheet. Click *Calculate* and you will be taken to the Settings Window.



15. In the template settings window, select the price type, data frequency, date range and output preferences. The settings will vary from each selected template. Click *OK*.



16. The desired data will populate the second tab of the Excel spreadsheet.



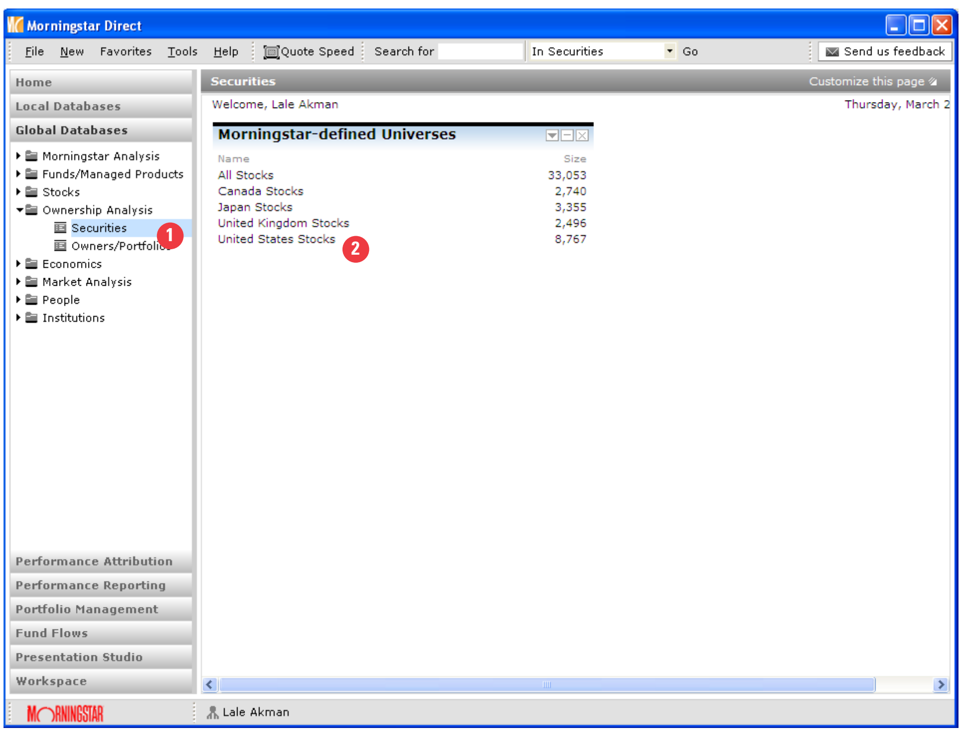
	A	B	C	D	E	F	G
1	Firm Name	Vanguard	Vanguard	Vanguard	Vanguard	Vanguard	Vanguard
2	Base Currency	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar	US Dollar
3	SecId	FOUSA08OZU	FOUSA08OZT	FOUSA00FQH	FOUSA02TYI	FOUSA00DIL	FOUSA05J1A
4	Symbol	VTBNX	VTBIX	VBMFX	VBTLX	VBTIX	VBTSX
5	ISIN	US92203C2044	US92203C1053	US9219371088	US9219376038	US9219375048	
6	CUSIP	92203C204	92203C105	921937108	921937603	921937504	921937868
7	Name	Vanguard Total Bond Market II Idx Instl	Vanguard Total Bond Market II Idx Inv	Vanguard Total Bond Market Index	Vanguard Total Bond Market Index Adm	Vanguard Total Bond Market Index Inst	Vanguard Total Bond Market Index Signal
5964	10/09/2009	10.31	10.31	10.42	10.42	10.42	10.42
5965	10/12/2009	10.33	10.33	10.44	10.44	10.44	10.44
5966	10/13/2009	10.35	10.35	10.45	10.45	10.45	10.45
5967	10/14/2009	10.31	10.31	10.42	10.42	10.42	10.42
5968	10/15/2009	10.30	10.30	10.40	10.40	10.40	10.40
5969	10/16/2009	10.32	10.32	10.42	10.42	10.42	10.42
5970	10/19/2009	10.33	10.33	10.43	10.43	10.43	10.43
5971	10/20/2009	10.34	10.34	10.45	10.45	10.45	10.45
5972	10/21/2009	10.33	10.33	10.43	10.43	10.43	10.43
5973	10/22/2009	10.32	10.32	10.42	10.42	10.42	10.42
5974	10/23/2009	10.30	10.30	10.40	10.40	10.40	10.40
5975	10/26/2009	10.27	10.27	10.37	10.37	10.37	10.37

Ownership Analysis

Investment ownership can add insight in several ways. There are two ways to begin your analysis. One method is at the stock level, identifying the owners of a stock. Stock level is often used to discover exposure of a troubled stock, detect investor concentration that may explain price fluctuations, or identify a prospective investor for investor relations professionals. The other method is at the portfolio level, identifying the positions of that owner. Portfolio level is often used by risk management departments.

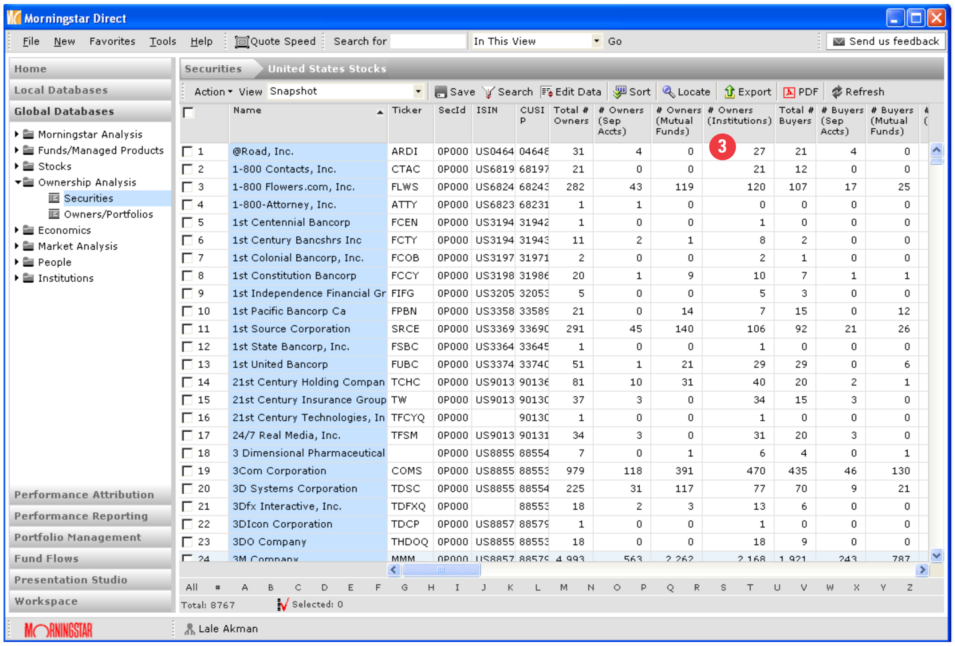
Identify Owners of a Stock

1. From the Global Databases folder, go to the Ownership Analysis folder and click *Securities*.

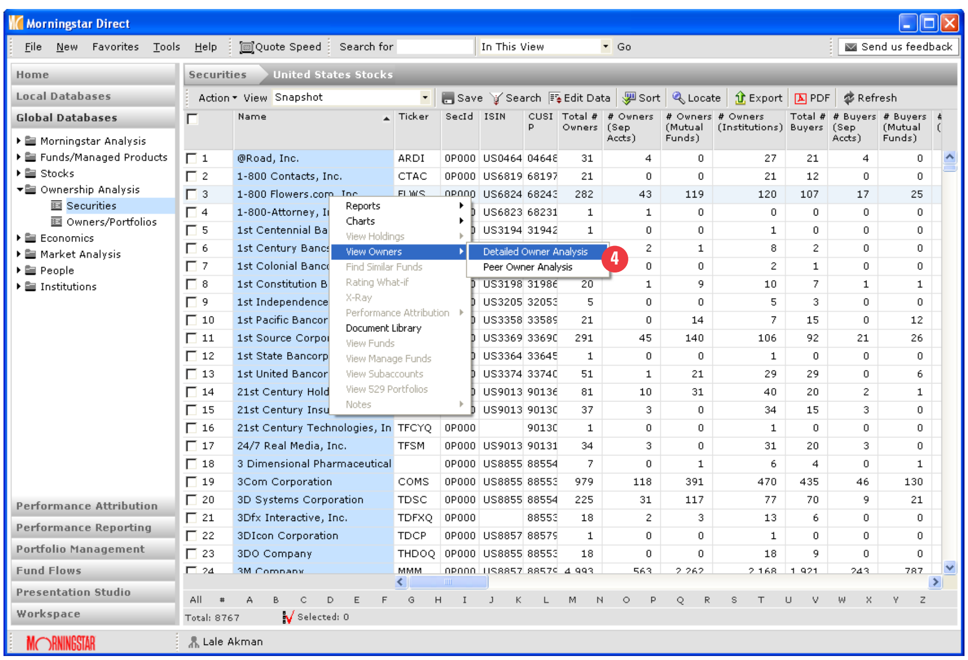


2. Click on *United States Stocks*.

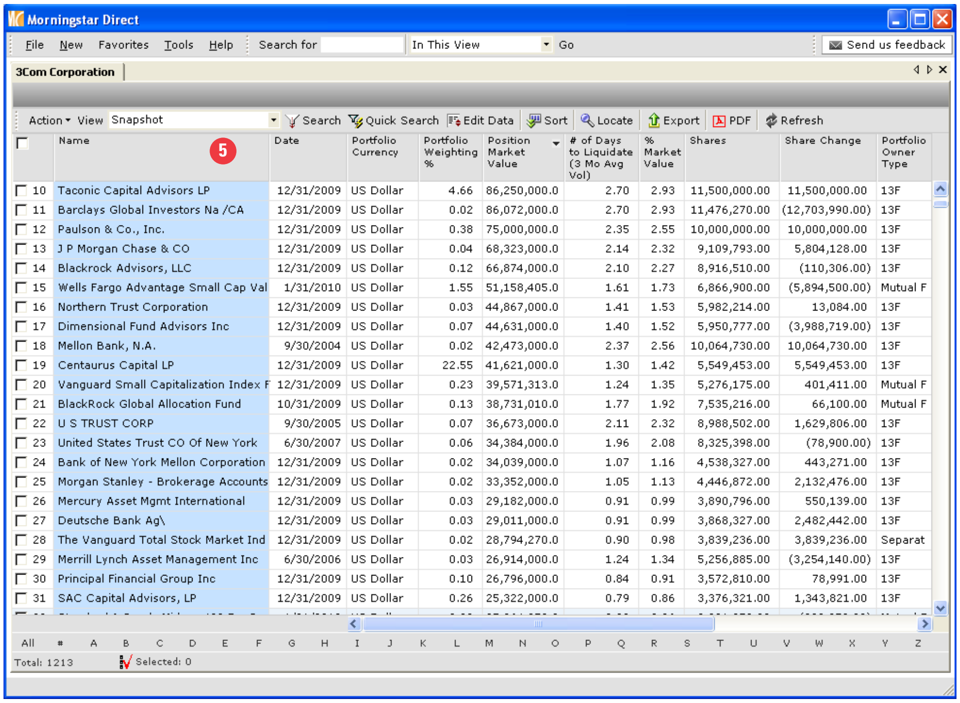
3. In your default ownership view, you will see the detailed breakdown of the number of owners. You can also scroll to the right to get more information.



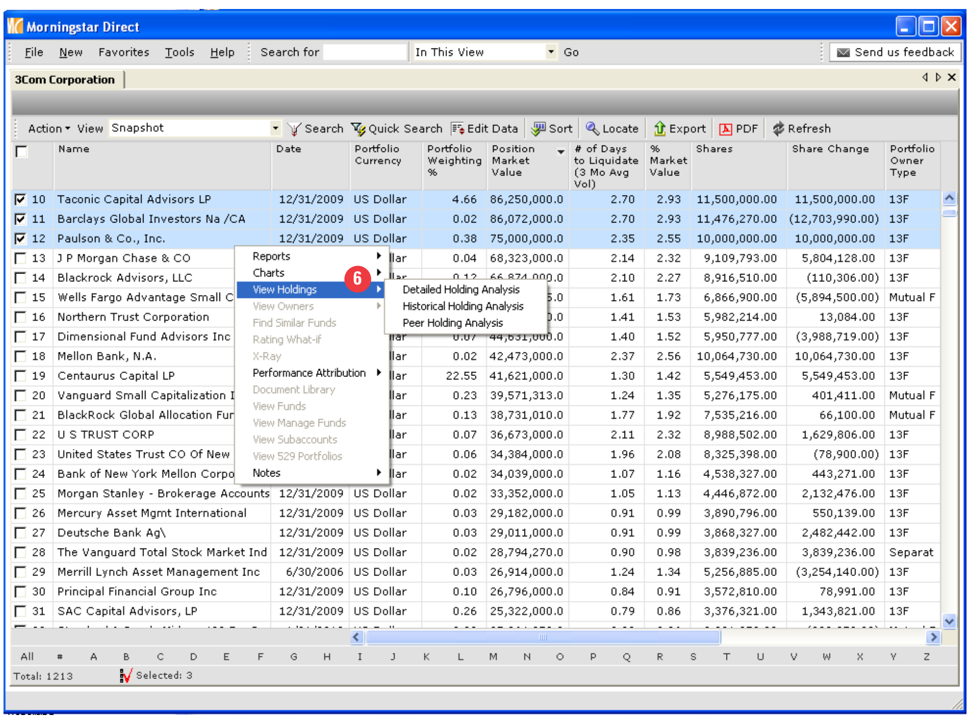
4. Right click on the stock of interest and select View Owners where you can select Detailed Owner Analysis or Peer Owners Analysis. Select *Detailed Owner Analysis*.



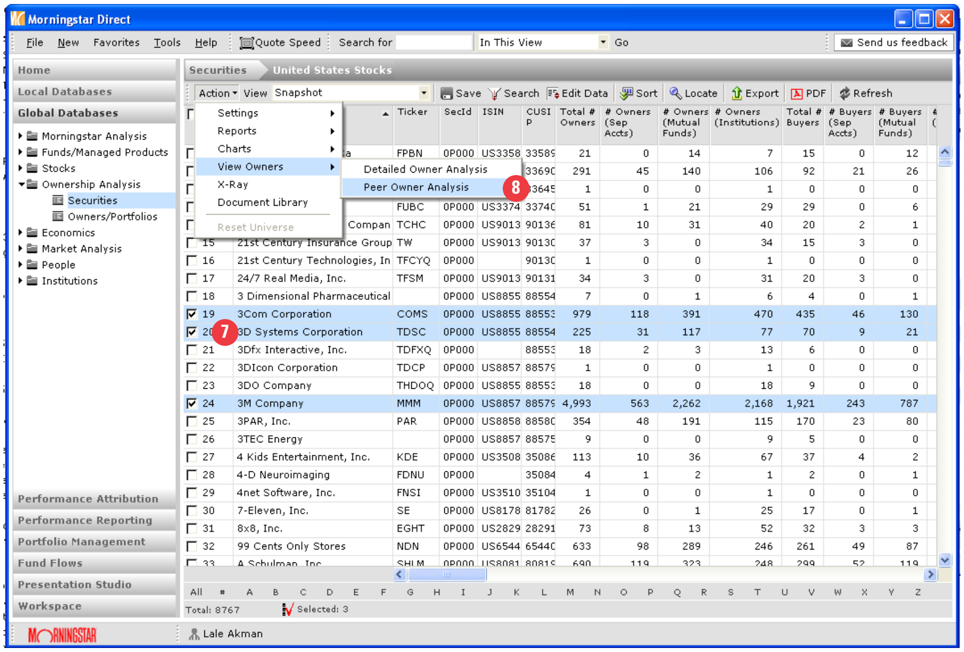
5. The Detailed Owner Analysis allows you to analyze a single security. You can also double click on the security name to get the same view.



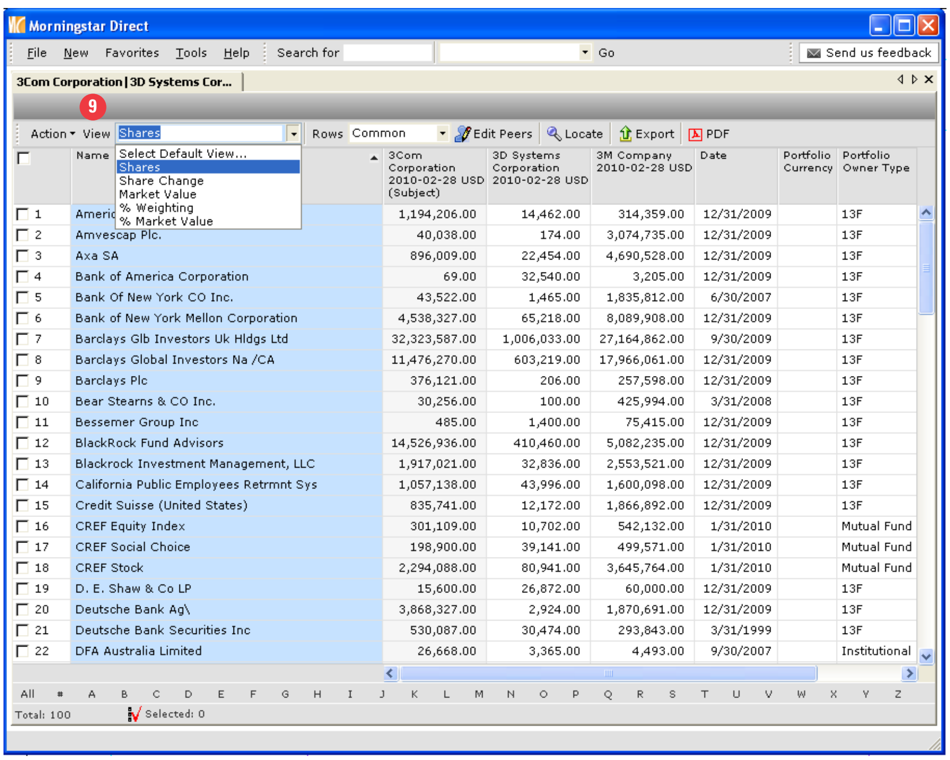
6. If you click on the first top owners and do a right click where you can also get access to the holdings information as we will discuss further in next section.



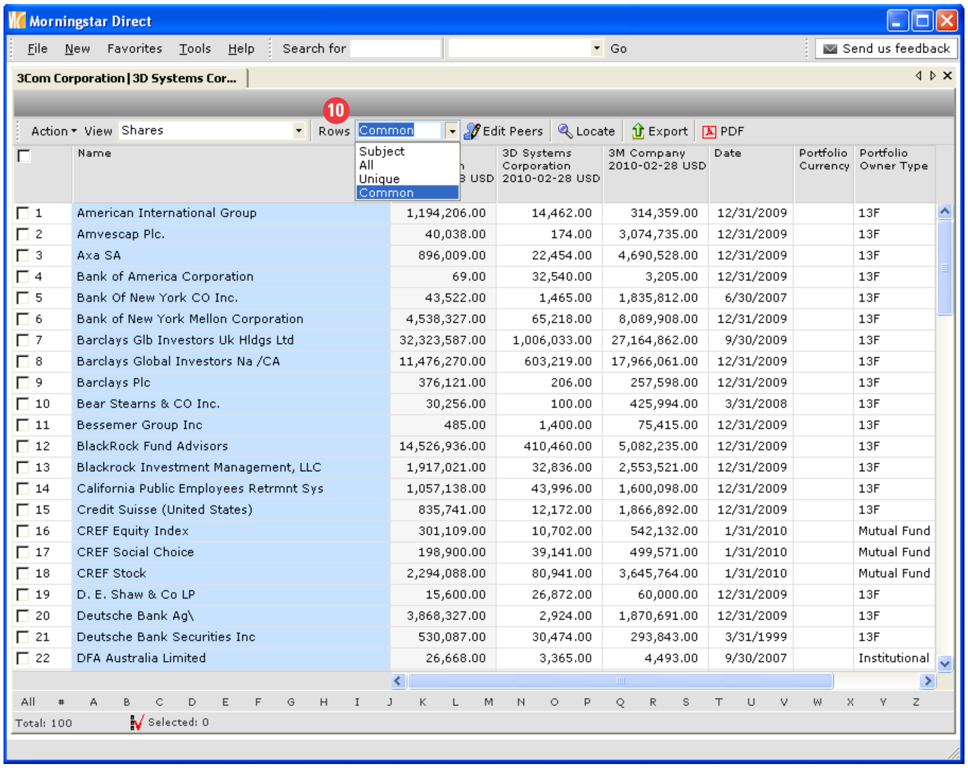
7. Go back to your US Stock view in first step where we will now generate a Peer Owner Analysis. The Peer Owners Analysis allows you to compare the ownership of multiple securities in a single grid view. Click on 3 names of interest.



8. Go to Actions, View Owners and click on *Peer Ownership Analysis*. You can also do a right click on the names to generate the same views.

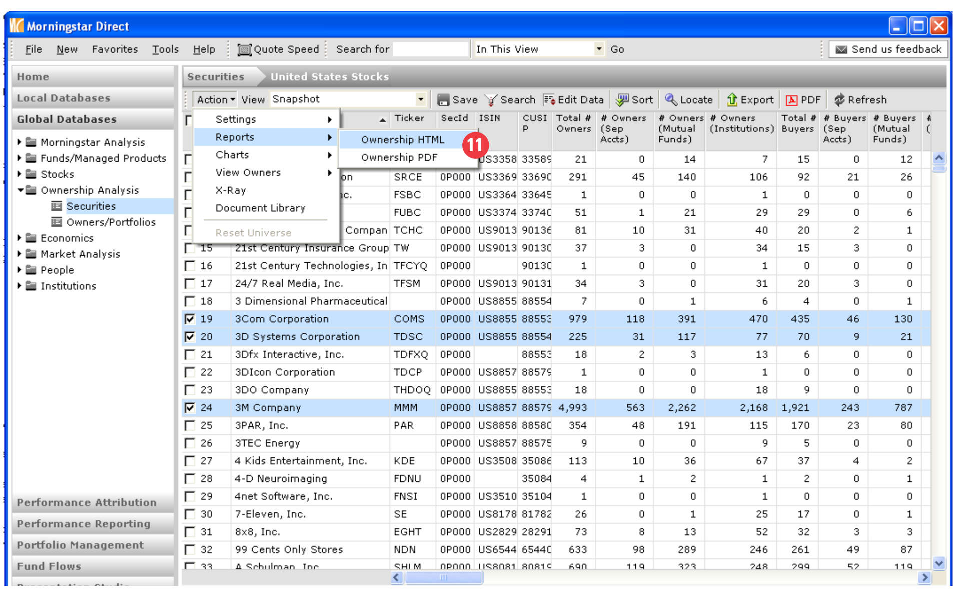


9. Click on the *View* drop down to alter your default Shares view to Market Value, % Weighting, and more.



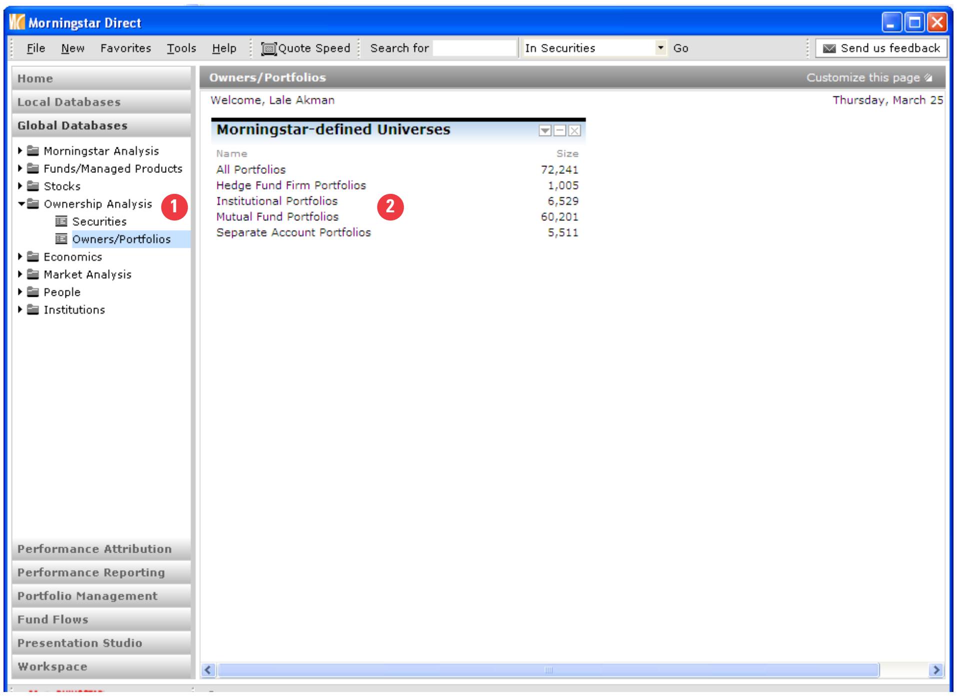
10. Click on the *Row* drop down to view common securities, unique securities, and more. The default is the subject which is driven by the 1st name selected.

11. Close this view and go back to the United States Stock view. Under *Actions*, you can also generate an Ownership HTML or PDF report.



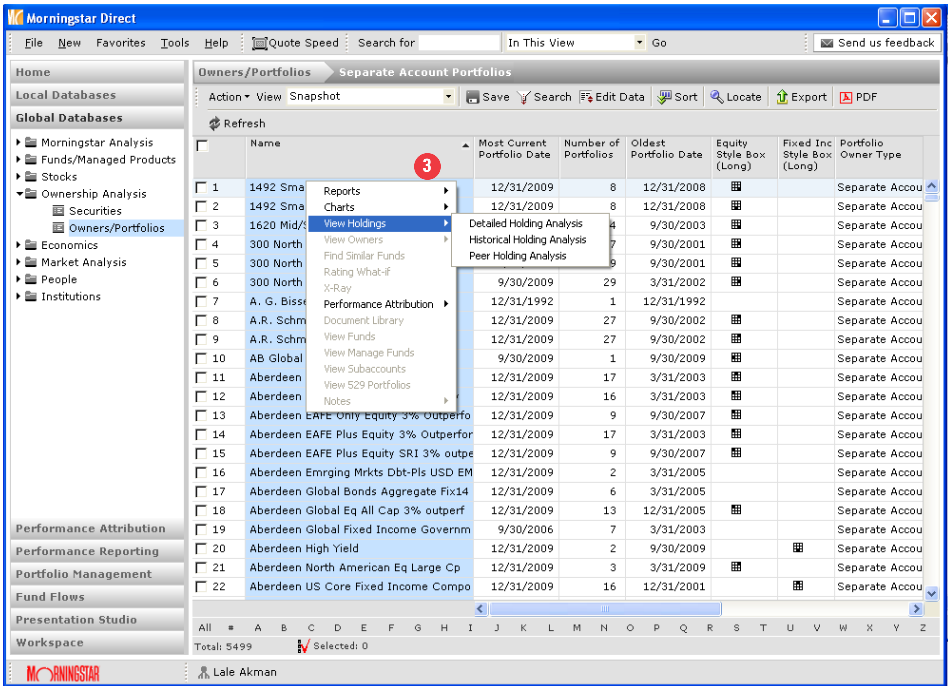
Identify Holdings of Owners/Portfolio

1. From the Global Databases folder, go to the Ownership Analysis folder and click *Owners/Portfolios*.

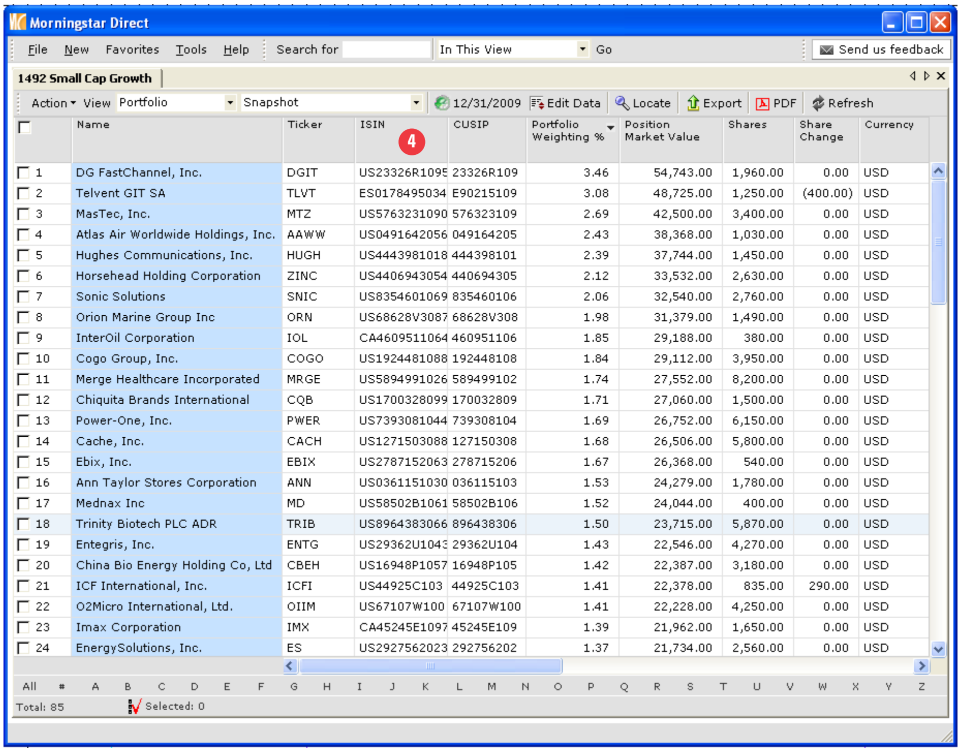


2. Click on *Separate Accounts Portfolios*.

3. Right click on the portfolio of interest and select *View Holdings*. In the next few steps, we will cover the output for the Detailed Holdings Analysis, Historical Holdings Analysis, and Peer Holdings Analysis.

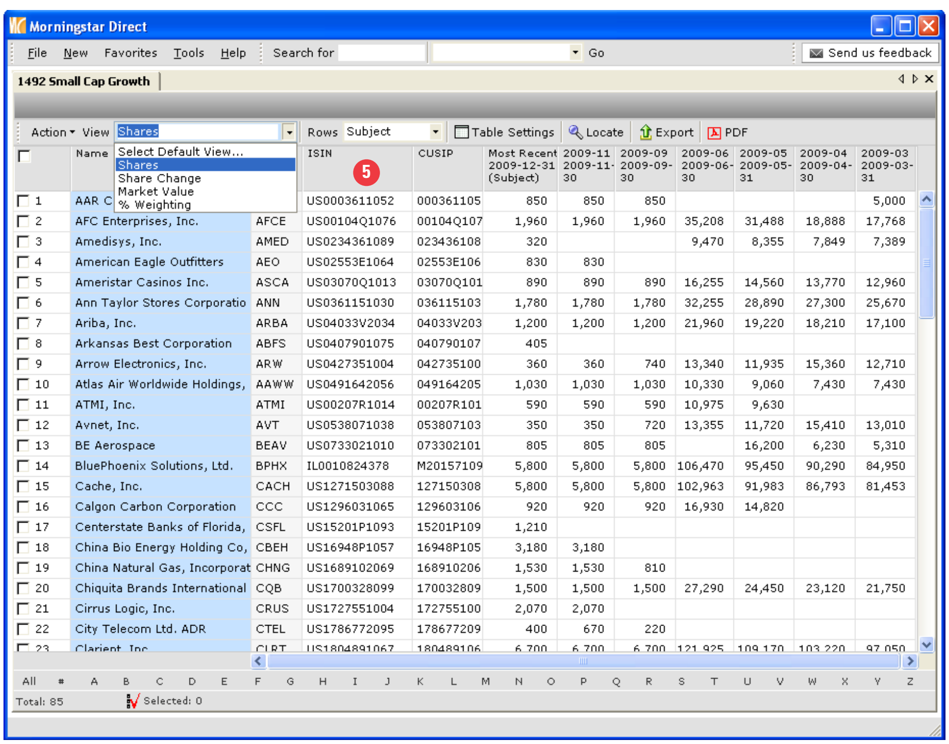


4. Use *Detailed Holding Analysis* to analyze a single portfolio.



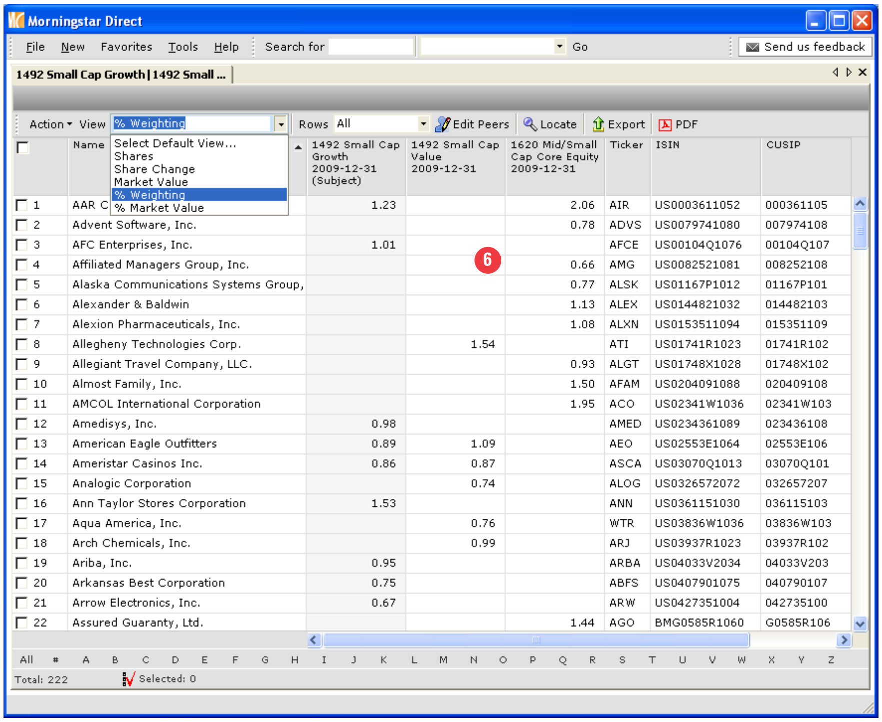
#	Name	Ticker	ISIN	CUSIP	Portfolio Weighting %	Position Market Value	Shares	Share Change	Currency
1	DG FastChannel, Inc.	DGIT	US23326R1095	23326R109	3.46	54,743.00	1,960.00	0.00	USD
2	Telvent GIT SA	TLVT	ES0178495034	E90215109	3.08	48,725.00	1,250.00	(400.00)	USD
3	MasTec, Inc.	MTZ	US5763231090	576323109	2.69	42,500.00	3,400.00	0.00	USD
4	Atlas Air Worldwide Holdings, Inc.	AAWW	US0491642056	049164205	2.43	38,368.00	1,030.00	0.00	USD
5	Hughes Communications, Inc.	HUGH	US4443981018	444398101	2.39	37,744.00	1,450.00	0.00	USD
6	Horsehead Holding Corporation	ZINC	US4406943054	440694305	2.12	33,532.00	2,630.00	0.00	USD
7	Sonic Solutions	SNIC	US8354601069	835460106	2.06	32,540.00	2,760.00	0.00	USD
8	Orion Marine Group Inc	ORN	US68628V3087	68628V308	1.98	31,379.00	1,490.00	0.00	USD
9	InterOil Corporation	IOL	CA4609511064	460951106	1.85	29,188.00	380.00	0.00	USD
10	Cogo Group, Inc.	COGO	US1924481088	192448108	1.84	29,112.00	3,950.00	0.00	USD
11	Merge Healthcare Incorporated	MRGE	US5894991026	589499102	1.74	27,552.00	8,200.00	0.00	USD
12	Chiquita Brands International	CQB	US1700328099	170032809	1.71	27,060.00	1,500.00	0.00	USD
13	Power-One, Inc.	PWER	US7393081044	739308104	1.69	26,752.00	6,150.00	0.00	USD
14	Cache, Inc.	CACH	US1271503088	127150308	1.68	26,506.00	5,800.00	0.00	USD
15	Ebix, Inc.	EBIX	US2787152063	278715206	1.67	26,368.00	540.00	0.00	USD
16	Ann Taylor Stores Corporation	ANN	US0361151030	036115103	1.53	24,279.00	1,780.00	0.00	USD
17	Mednax Inc	MD	US58502B1061	58502B106	1.52	24,044.00	400.00	0.00	USD
18	Trinity Biotech PLC ADR	TRIB	US8964383066	896438306	1.50	23,715.00	5,870.00	0.00	USD
19	Entegris, Inc.	ENTG	US29362U1043	29362U104	1.43	22,546.00	4,270.00	0.00	USD
20	China Bio Energy Holding Co, Ltd	CBEH	US16948P1057	16948P105	1.42	22,387.00	3,180.00	0.00	USD
21	ICF International, Inc.	ICFI	US44925C103	44925C103	1.41	22,378.00	835.00	290.00	USD
22	O2Micro International, Ltd.	OIIM	US67107W100	67107W100	1.41	22,228.00	4,250.00	0.00	USD
23	Imax Corporation	IMX	CA45245E1097	45245E109	1.39	21,962.00	1,650.00	0.00	USD
24	EnergySolutions, Inc.	ES	US2927562023	292756202	1.37	21,734.00	2,560.00	0.00	USD

5. Use *Historical Holding Analysis* to analyze a single portfolio overtime. At any point, you can change the view to display by Shares Change, %Weighting, and more.

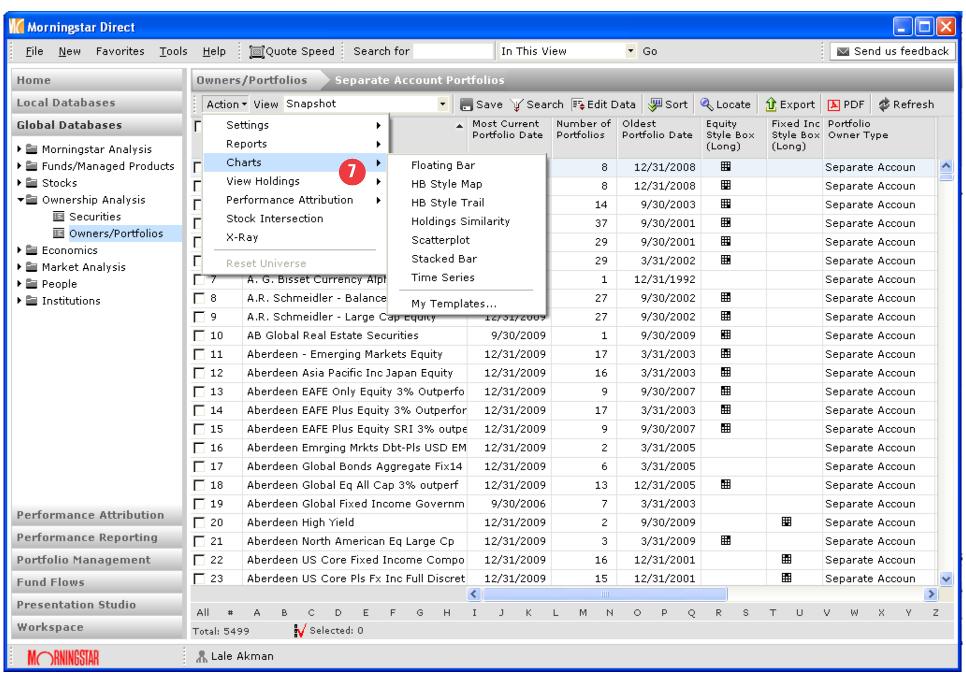


#	Name	Ticker	ISIN	CUSIP	Most Recent 2009-12-31 (Subject)	2009-11 2009-11-30	2009-09 2009-09-30	2009-06 2009-06-30	2009-05 2009-05-31	2009-04 2009-04-30	2009-03 2009-03-31
1	AAR C		US0003611052	000361105	850	850	850				5,000
2	AFC Enterprises, Inc.	AFCE	US00104Q1076	00104Q107	1,960	1,960	1,960	35,208	31,488	18,888	17,768
3	Amedisys, Inc.	AMED	US0234361089	023436108	320			9,470	8,355	7,849	7,389
4	American Eagle Outfitters	AEO	US02553E1064	02553E106	830	830					
5	Ameristar Casinos Inc.	ASCA	US03070Q1013	03070Q101	890	890	890	16,255	14,560	13,770	12,960
6	Ann Taylor Stores Corporatio	ANN	US0361151030	036115103	1,780	1,780	1,780	32,255	28,890	27,300	25,670
7	Ariba, Inc.	ARBA	US04033V2034	04033V203	1,200	1,200	1,200	21,960	19,220	18,210	17,100
8	Arkansas Best Corporation	ABFS	US0407901075	040790107	405						
9	Arrow Electronics, Inc.	ARW	US0427351004	042735100	360	360	740	13,340	11,935	15,360	12,710
10	Atlas Air Worldwide Holdings,	AAWW	US0491642056	049164205	1,030	1,030	1,030	10,330	9,060	7,430	7,430
11	ATMI, Inc.	ATMI	US00207R1014	00207R101	590	590	590	10,975	9,630		
12	Avnet, Inc.	AVT	US0538071038	053807103	350	350	720	13,355	11,720	15,410	13,010
13	BE Aerospace	BEAV	US0733021010	073302101	805	805	805		16,200	6,230	5,310
14	BluePhoenix Solutions, Ltd.	BPHX	IL0010824378	M20157109	5,800	5,800	5,800	106,470	95,450	90,290	84,950
15	Cache, Inc.	CACH	US1271503088	127150308	5,800	5,800	5,800	102,963	91,983	86,793	81,453
16	Calgon Carbon Corporation	CCC	US1296031065	129603106	920	920	920	16,930	14,820		
17	Centerstate Banks of Florida,	CSFL	US15201P1093	15201P109	1,210						
18	China Bio Energy Holding Co,	CBEH	US16948P1057	16948P105	3,180	3,180					
19	China Natural Gas, Incorporat	CHNG	US1689102069	168910206	1,530	1,530	810				
20	Chiquita Brands International	CQB	US1700328099	170032809	1,500	1,500	1,500	27,290	24,450	23,120	21,750
21	Cirrus Logic, Inc.	CRUS	US1727551004	172755100	2,070	2,070					
22	City Telecom Ltd. ADR	CTEL	US1786772095	178677209	400	670	220				
23	Clarient, Inc	CLRT	US1804891067	180489106	6,700	6,700	6,700	121,925	109,170	103,220	97,050

6. Use *Peer Holdings Analysis* to compare the holdings of multiple portfolios in a single grid view. Once you click on the names of interest, you will be taken to the Peer Holding Analysis view to compare the results. At any point, you can change the view to display by Shares Change, %Weighting, and more.



7. Close your view and go back to the Separate Accounts Portfolios view. Under *Actions*, you can also generate Reports, Charts, Performance Attribution, and more.

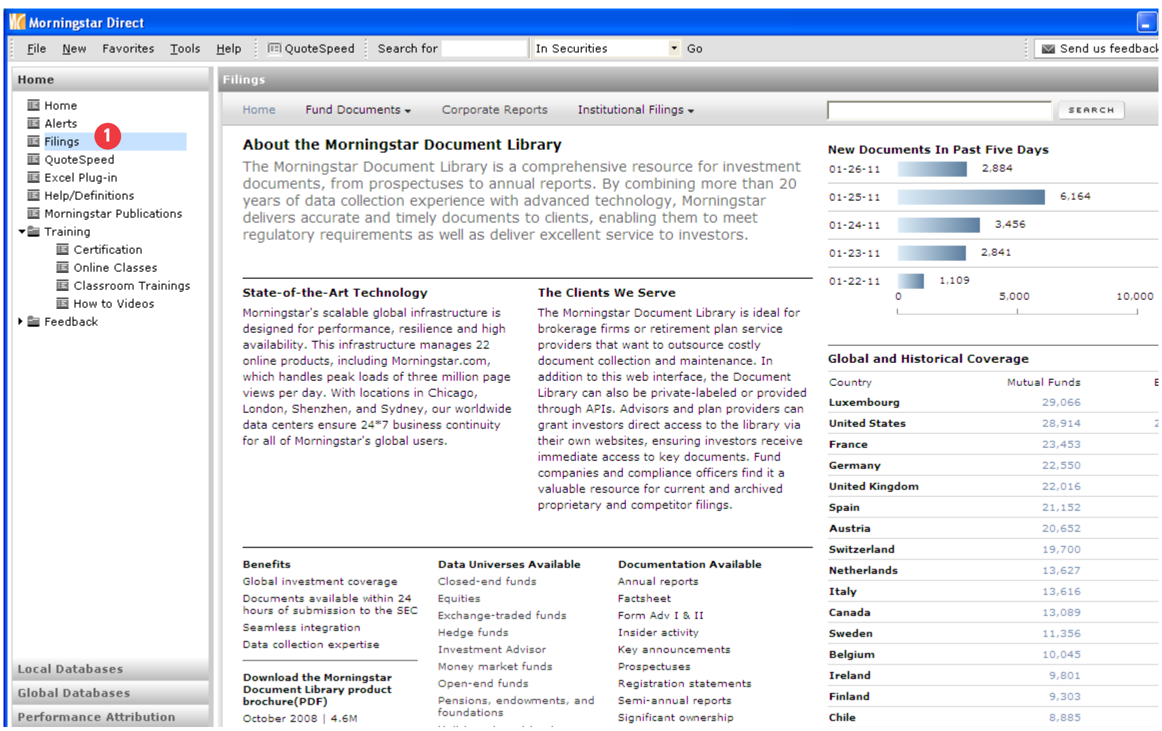


Public Filings

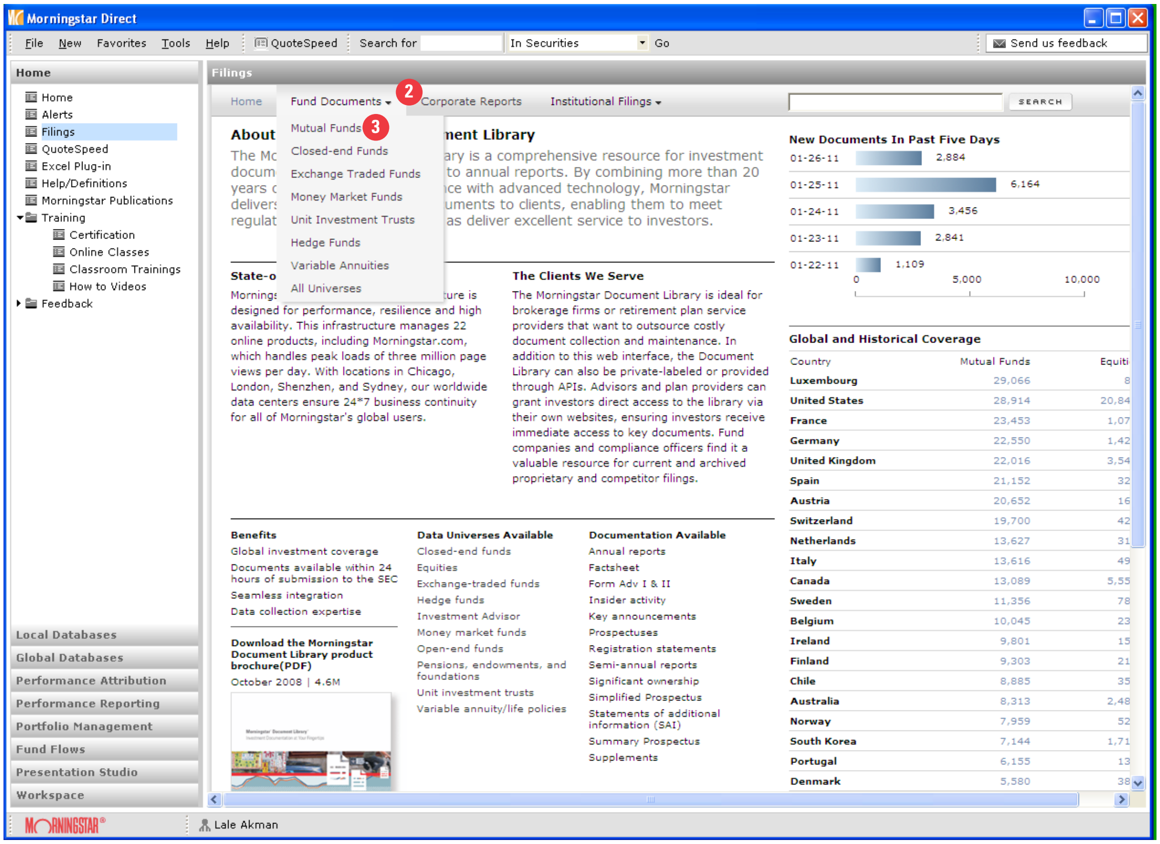
The Morningstar Document Library, located in the Public Filings folder, is a comprehensive resource for investment documents-from prospectuses to annual reports. By combining more than 20 years of data collection experience with advanced technology, Morningstar delivers accurate and timely documents to clients that enable them to meet regulatory requirements as well as deliver excellent services to investors.

Locate a Public Document in Document Library

1. Go to the *Filings* under Home.

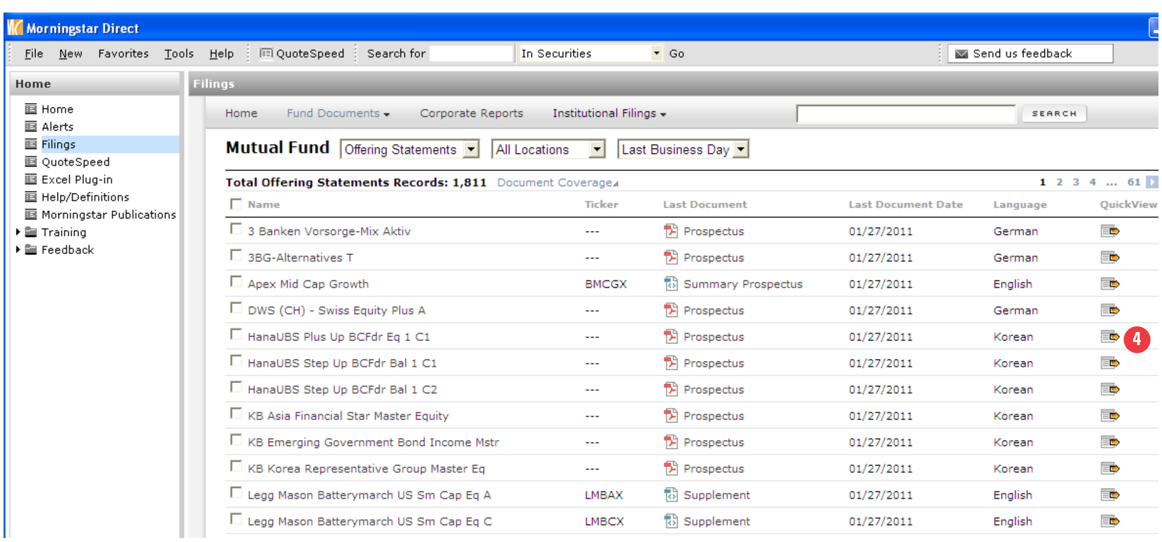


2. At the top of the landing page, you can search for a Fund Documents, Corporate Reports, and Institutional Filings. Click on the *Fund Documents* drop-down.

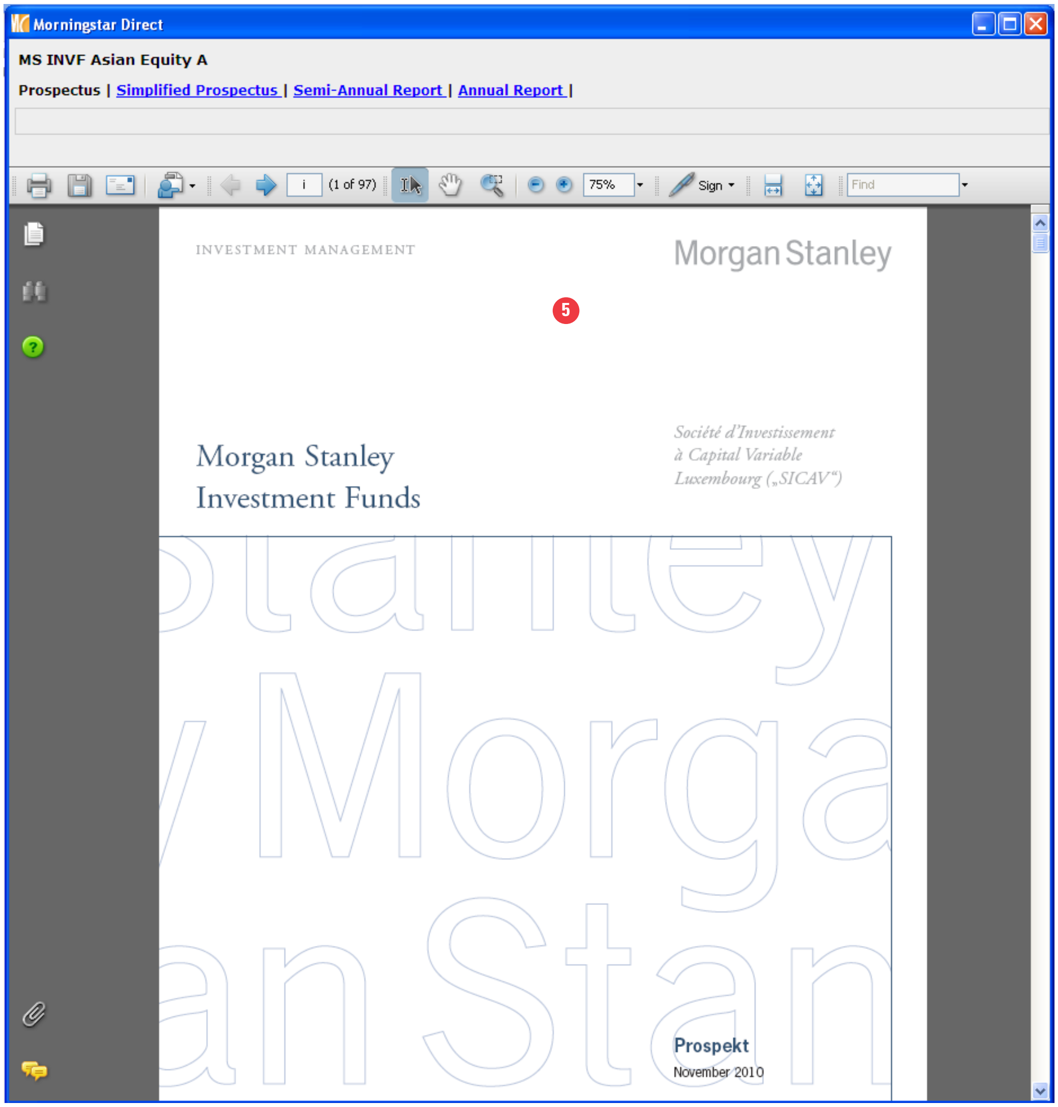


3. Select *Mutual Funds* to be taken to the Mutual Fund Filings.

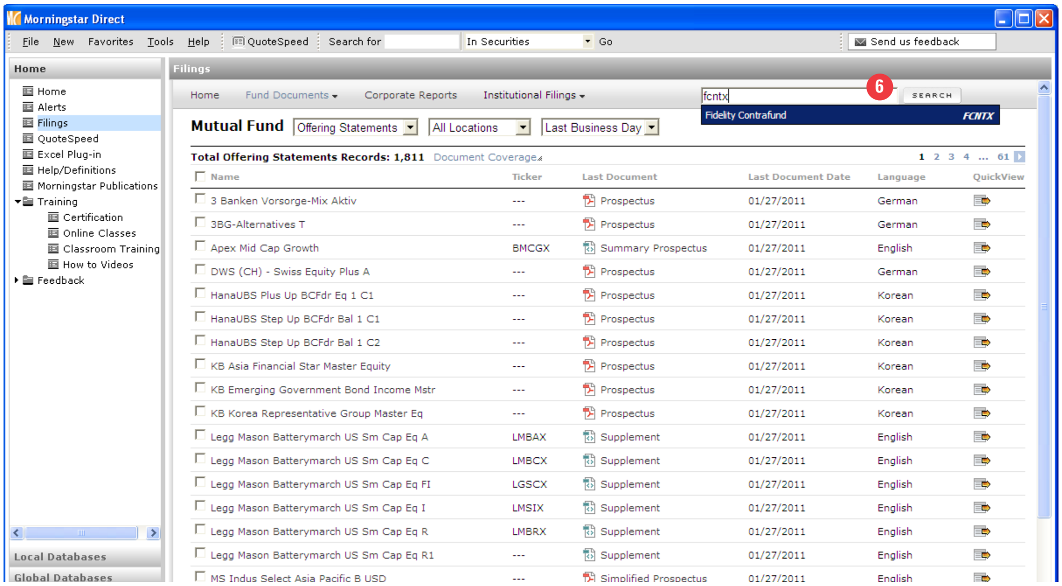
4. In the Mutual Fund Filings view, you can identify document type, location, and as of date. Click on Quick View



5. You will automatically be taken to the mutual fund's quick view where you can select simplified prospectus, semi-annual report, annual report.



6. You can also use Search function to find your document. Type FCNTX and click *Search*.



7. You will then be taken to the Fidility Contrafund view to select from the various documents and shareholder reports.