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# Investigating Strategies in the Web-Based Version of Morningstar Direct<sup>SM</sup>

A strategy is a vehicle-agnostic approach to managing a pool of money by applying an imitable investment philosophy. A strategy depicts the intent of the manager(s), which can be executed through one or more different managed investment vehicles.

**Overview** 

The strategy data within in the web-based version of Morningstar Direct<sup>SM</sup> links together all managed investment vehicles applying the same investment decision-making process and portfolio construction approach. Note that strategies are not investment vehicles, but instead belong to their own investment universe.

Users have access to thousands of strategies in the web-based version of Morningstar Direct. The Strategy Analysis workbook offers data points, Morningstar research, and tools specific to analyzing strategies. This guide shows users how to find strategies and leverage the data and tools provided in the web-based version of Morningstar Direct to understand and analyze them.

The following topics are covered in this guide:

- ► Finding and Displaying Strategy Data in the Grid (page 5)
- ► Conducting a Detailed Analysis of a Strategy (page 13)

## Finding and Displaying Strategy Data in the Grid

How can users find strategies in the web-based edition of Morningstar Direct? What data points are available for strategies? This section covers the following topics:

- screening to find all strategies (page 5)
- saving and opening a list of strategies (page 7)
- ▶ opening a column set for strategies (page 9), and
- ► applying peer analytics to return data for strategies (page 11).

Strategies exist in their own universe, and have a unique workbook and column set available for their analysis. It will help to start by opening that workbook, then creating a screen for strategies. Note the following important points about creating a screen for strategies:

- ▶ when screening for strategies, no other data universes can be included, and
- ► the column set created specifically for strategies opens automatically in the Grid.

To screen for all strategies, do the following:

1. From the **Menu**, select **Your Files** > **Workbooks**.

| Home                             |           |              |                   |             |                            |
|----------------------------------|-----------|--------------|-------------------|-------------|----------------------------|
| Home                             | >         |              |                   |             |                            |
| EXPLORE                          |           | M            | <b>ORNINGST</b>   |             |                            |
| Research                         |           |              |                   | DICC        |                            |
| Markets                          | Q Sea     | arch for Sec | urities and Resea | arch        |                            |
| ANALYZE                          |           |              |                   |             |                            |
| Client Accounts                  |           |              | The Create M      | Client A    |                            |
| Lists & Screens                  |           |              | Create V          | Cilent A    |                            |
| Model Portfolios                 |           | Туре         | Last Modified     | (i) There a |                            |
| MANAGE                           |           | List         | 01/22/2020        | To create a |                            |
| ▼ Your Files                     |           | Screen       | 01/21/2020        | upper right |                            |
| Policies                         | ETE)      | Screen       | 12/17/2019        |             | Expand the Your Files      |
| Custom Benchmarks<br>Column Sets | U.S. Fu   | List         | 10/22/2019        |             | area to select this option |
| Workbooks                        |           | List         | 07/19/2019        |             |                            |
| Grid Batch Reports               | : Project | List         | 07/01/2019        |             |                            |

Exercise 1: Create a screen for all strategies 2. Select the Strategy Analysis workbook.

| VUIKUU | OK TO DEGIN YOUR ANALYSIS. TO MANAGE YOUR WO | rkbooks, use the action i | con or control |                   |
|--------|--|---------------------------|----------------|-------------------|
|        | Name   | Туре                      | Owner          |                   |
| 1      | Client Accounts O Read Only                  | Portfolios                | Mornir         |                   |
| 2      | Custom Benchmarks O Read Only                | Portfolios                | Mornir         |                   |
| 3      | Equity Fund O Read Only                      | Investments               | Mornir         |                   |
| 4      | Equity Research 🔿 Read Only                  | Investments               | Mornir         |                   |
| 5      | Fixed Income Fund O Read Only                | Investments               | Mornir         |                   |
| 6      | Managed Investments O Read Only              | Investments               | Mornir         |                   |
| 7      | Model Portfolios 🔿 Read Only                 | Portfolios                | Mornir         |                   |
| 8      | Multi-Asset Fund O Read Only                 | Investments               | Mornir         |                   |
| 9      | Overview O Read Only                         | Investments               | Mornir         |                   |
| 10     | Risk Model Analysis 🔿 Read Only              | Investments               | Mornir         | Open this workboo |
| 11     | Strategy Analysis 🔿 Read Only                | ⊘ Investments             | Mornir         |                   |

- 3. When prompted to select a list or screen to view in the workbook, click New Screen.
- 4. From the Investment Type area, select only the option for Strategy, then click OK.

| Screener   |  | Cancel Done  |
|------------|--|--|
| 0/0  + 🖻 🖒 | ▼ Create your Universe   | C Logic Mode   |
|            | Investment Type<br>Select an investment type to start your screen.<br>Value  | ¢ ok   |
|            | Category Aver     Exchange-Trad     Model       Closed-End Fund     Index     Money Mar       Collective Inve     Insurance Fund     Open-End F       Equity     Pooled Fund | rket Separate Acco<br>Generate Acco                      |
|            |  | Note that of<br>Strategy is<br>all other op<br>become un |

- 5. Click **Done**. When screening for strategies, the Strategy Analysis column set displays by default in the Grid.
  - Note: The performance data showing in the Strategy Analysis column set is for a strategy's representative vehicle, which is named under the Strategy Performance Source column. If the full name of the representative vehicle cannot be seen in the column (even after stretching it to its maximum width), simply hover the cursor over that cell to see its full name appear in a tooltip.

6. Save the screen with the name All Strategies.

|               | Investmen      | t Analy   | sis   Strategy A | nalysis 🗸  |                               |   |    |  |
|---------------|----------------|-----------|------------------|------------|-------------------------------|---|----|--|
| * Unt         | itled List/Sc  | reen 🗸    | ]                |            |                               |   |    |  |
| Lists a       | & Screens      |           | 0 + ⊵0           |            | Colum                         | n Set ∨                                 |    |  |
| Creat<br>Open | e New          | >         |                  | Strategyld | Strategy<br>Inception<br>Year | As of Date<br>Strategy Assets<br>mo-end | St |  |
| Save<br>Save  | As             |           | lue              | STUSA050D1 | 2006                          | 09/30/2019                              |    | Use the Lists & Screens menu to save this screer |
| Impor         | rt liet        |           | quity            | STUSA05TAZ | -                             | -                                       |    |  |
| mpor          | IT LIST        |           | ha               | STUSA053UZ | 2009                          | 12/31/2019                              |    |  |
|               | 4 1492 Smail U | ар булат  | ic Hedge         | STUSA0540J | 2012                          | 09/30/2019                              |    |  |
|               | 5 1492 Small C | ap Growth |                  | STUSA04RZB | 2008                          | 12/31/2019                              |    |  |
|               | 6 1492 Small C | ap Value  |                  | STUSA04RZC | 2008                          | 12/31/2019                              |    |  |
|               | 7 16th Amend   | ment Long | Performance      | STUSA055C1 | 2003                          | 12/31/2018                              |    |  |
|               | 8 16th Amend   | ment Long | Relative Value   | STUSA055C4 | 2009                          | 12/31/2018                              |    |  |

Now that a screen for all strategies exists, it is easy to select specific items from the results to save to a list. In this exercise, certain small-cap value strategies will be selected and saved to a list for further analysis. Do the following:

Exercise 2: Locate and save a subset of strategies

1. The All Strategies screen should be open. Click the **Locate** icon.

|       | Investment Analysis   *Strategy Ar   | nalysis v  |                               |   |    |  |
|-------|--------------------------------------|------------|-------------------------------|---|----|--|
| All S | trategies ∨                          |            |                               |   |    |  |
|       | 11.129 🖽 🖩 🛇 + 🕰                     |            | Colum                         | n Set ∨                                 |    | Use this icon to find specific strategies within the result set. |
|       | Locate<br>Name                       | Strategyld | Strategy<br>Inception<br>Year | As of Date<br>Strategy Assets<br>mo-end | St |  |
|       | 1 12th Street Small Cap Value        | STUSA050D1 | 2006                          | 09/30/2019                              |    |  |
|       | 2 13D US Mid-Cap Blend Equity        | STUSA05TAZ | -                             | _                                       |    |  |
|       | 3 1492 Small Cap Core Alpha          | STUSA053UZ | 2009                          | 12/31/2019                              |    |  |
|       | 4 1492 Small Cap Dynamic Hedge       | STUSA0540J | 2012                          | 09/30/2019                              |    |  |
|       | 5 1492 Small Cap Growth              | STUSA04RZB | 2008                          | 12/31/2019                              |    |  |
|       | 6 1492 Small Cap Value               | STUSA04RZC | 2008                          | 12/31/2019                              |    |  |
|       | 7 16th Amendment Long Performance    | STUSA055C1 | 2003                          | 12/31/2018                              |    |  |
|       | 8 16th Amendment Long Relative Value | STUSA055C4 | 2009                          | 12/31/2018                              |    |  |

- 2. Enter the following **names**, one at a time. As each strategy is found, **click** to select it.
  - Note: Unlike other investments, it is not possible to search for multiple strategies at once, either by name or Strategy ID.

|       | Investment Analysis   *Strategy An    | alysis 🗸                       |                                  |                            |
|-------|---------------------------------------|--------------------------------|----------------------------------|----------------------------|
| All S | trategies ∨                           | Locate                         |                                  |                            |
|       | 11,129 🖽 🗟 💛 + 🚉                      | Strategies V                   | Q Brown Advisory Small-Cap Value |                            |
| -14   |                                       | Name                           | Strategy Id                      |                            |
|       | Name                                  | Brown Advisory Small-Cap Value | STUSA051MO                       | Click a strategy to        |
|       | 1 12th Street Small Cap Value         |                                |                                  | select it once it appears. |
|       | 2 13D US Mid-Cap Blend Equity         |                                |                                  |                            |
|       | 3 1492 Small Cap Core Alpha           |                                |                                  |                            |
|       | 4 1492 Small Cap Dynamic Hedge        |                                |                                  |                            |
|       | 5 1492 Small Cap Growth               |                                |                                  |                            |
|       | 6 1492 Small Cap Value                |                                |                                  |                            |
|       | 7 16th Amendment Long Performance     |                                |                                  |                            |
| 0     | 8. 18th Amendment Long Belative Value |                                |                                  |                            |

Locate and select the following strategies:

- Brown Advisory Small-Cap Value
- ► Frontier Small Cap Value
- ► Fuller & Thaler Small-Cap Value
- ► Hotchkis & Wiley Sm-Cap Val
- ► Goldman Sachs US Small Cap Value
- Integrity Small Cap Value Equity
- Perkins US Small Cap Value
- Sycamore Small Cap Value Equity
- ► Wasatch Small Cap Value, and
- ► WFAM Special US Small Cap Value Eq.
- 3. Click away from the search pop-up to close it.
- 4. From the toolbar above the Grid, click Action > Save to New List.

|       | ĥ     | nvestment Analysis   *Strat | egy Analysis 🗸 |     |                       |                               |    |                             |
|-------|-------|-----------------------------|----------------|-----|-----------------------|-------------------------------|----|-----------------------------|
| All S | Strat | egies ∨                     |                |     |                       |                               |    |                             |
|       | 10    | 11,129 🕞 🛅 🚫 -              |                | Y   | Colun                 | nn Set 🗸                      |    |                             |
|       | ſ     | Actions (" 10 ")            |                | T   | Strategy<br>Inception | As of Date<br>Strategy Assets | St |                             |
|       |       | Add/Edit Alerts             |                |     | Year                  | mo-end                        |    |                             |
|       | 489   | Add to List                 | >              | JK  | 1985                  | 09/30/2019                    | 2, |                             |
|       | 489   | 3 <del></del>               |                | JG  | 2002                  | 09/30/2019                    |    |                             |
|       | 489   | Remove from List            |                | MP  | 2009                  | 09/30/2011                    |    |                             |
|       | 489   | Cours As New List           |                | AS  | 1-1                   | 03/31/2019                    | 5, |                             |
|       | 489   | Save AS New List            | /              | AT  | 1 <del></del> 15      | 09/30/2018                    | 2, | Select this option from the |
|       | 489   | Generate Factsheet          | (i)            | D9  | 1.00                  | 12/31/2016                    |    | selected items to a new lis |
|       | 489   |                             | 0              | 4YH | 3 <u>45</u> 5         | 06/30/2019                    | 9, |                             |
|       | 489   | Morningstar Report          | (i)            | 12  | 14120                 | 06/30/2019                    | 1  |                             |

5. Name the list Small Cap Value Strategies, then click Done.

6. Use the Lists & Screens menu to open the Small Cap Value Strategies list.

| Investment            | Analysis   *Strateg       | y Analysis 🗸 |                  |                 |    |                              |
|-----------------------|---------------------------|--------------|------------------|-----------------|----|------------------------------|
| All Strategies $\lor$ |                           |              |                  |                 |    |                              |
| Lists & Screens       | ī ⊗ +                     |              | Colun            | nn Set 🗸        |    |                              |
| Create New            | >                         |              | Strategy         | As of Date      |    |                              |
| Open                  |                           | Stratomild   | Inception        | Strategy Assets | St | Use this command to open     |
| Save                  |                           | Strategylu   | real             | mo-enu          |    | the list that was just saved |
| Save As               | Cap Val                   | STUSA04BJK   | 1985             | 09/30/2019      | 2, |                              |
| 5000 AS               | e Opps                    | STUSA04BJG   | 2002             | 09/30/2019      |    |                              |
| Import List           |                           | STUSA051MP   | 2009             | 09/30/2011      |    |                              |
| 4034 HODE ACUUIS      | curope                    | STUSA05EAS   | 1                | 03/31/2019      | 5, |                              |
| 4895 HSBC Actions     | France                    | STUSA05EAT   | 1 <del></del> 15 | 09/30/2018      | 2, |                              |
| 4896 HSBC Alt Invs    | mts Fd of Fds - Spec Opps | STUSA040D9   | 1.11             | 12/31/2016      |    |                              |
| 4897 HSBC Asia Bo     | nd                        | STUSA05MYH   | <u>10</u> 5      | 06/30/2019      | 9, |                              |
| ARAN HSBC Asia ev     | Ion Fa Smlr Come          | STUS405712   | 1020             | 06/30/2019      | 1  |                              |

In the previous exercise, a list of strategies was saved, then opened. Even though the list was opened in the same Strategy Analysis workbook, note that the column set in the Grid has changed from what was seen when the screen was created. When opening a list of strategies, the Strategy Analysis column set must be manually opened. To open this column set, do the following:

Exercise 3: Open the Strategy Analysis column set

1. From the **Column Set** menu, select **Open**.

|              | Investment Analysis   Strategy An   | alysis ∨           |             |                         |
|--------------|-------------------------------------|--------------------|-------------|-------------------------|
| Sma          | all Cap Value Strategies $ arsigma$ |                    |             |                         |
| $\checkmark$ | ′0 10 🖂 🖩 🛇 + 🕰 🖸                   | 👌 🖹 🍸 Column Set 🗙 |             |                         |
|              |                                     | Column Sets        | ır N        |                         |
|              | Name                                | Create New         | mo- S<br>(I |                         |
|              | 1 Brown Advisory Small-Cap Value    | Open               | > _         | Select this option from |
|              | 2 Frontier Small Cap Value          | Edit               |             | the Column Set menu.    |
|              | 3 Fuller & Thaler Small-Cap Value   |                    |             |                         |
|              | 4 Goldman Sachs US Small Cap Value  | Save As Column Set | -           |                         |
|              | 5 Hotchkis & Wiley - Sm-Cap Val     |                    | -           |                         |
|              | 6 Integrity Small Cap Value Equity  |                    |             |                         |
|              | 7 Perkins US Small Cap Value        |                    |             |                         |
|              | 8. Sucamora Small Can Value Equity  |                    |             |                         |

# 2. Scroll down to select the **Strategy Analysis** column set. The same data points seen when the screen for strategies was created are now available.

Note: To ensure this column set is automatically associated with this list in the future, save the workbook with a unique name. Then, the first time this list is opened from either the Home page, or the Lists & Screens page (from the Menu), be sure to select that workbook.

|              | Investment Analysis   Strategy An                               | alysis 🗸                               |   |                  |          |
|--------------|---|--|---|------------------|----------|
| Sma          |   |  |   |                  |          |
| $\checkmark$ | 0 10 ⊟ m ⊘ + Q C  | 🖞 🗎 🍸 Column Set 🗙                     |   |                  |          |
|              |   | C Open                                 |   | ur N             |          |
|              | Name  |  |   | (I               |          |
|              | 1 Brown Advisory Small-Cap Value                                | Name                                   |   | _                |          |
|              | 2 Frontier Small Cap Value<br>3 Fuller & Thaler Small-Cap Value | Portfolio: Equity (U.K.)               | * | -                |          |
|              | 4 Goldman Sachs US Small Cap Value                              | Portfolio: Fixed Income                | × | -                |          |
|              | 6 Integrity Small Cap Value Equity                              | Portfolio: Fixed Income (Canada)       | × |                  |          |
|              | 7 Perkins US Small Cap Value                                    | Portfolio: Fixed Income (South Africa) | × |                  |          |
|              | 9 Wasatch Small Cap Value                                       | Portfolio: Fixed Income (U.K.)         | × | -                |          |
|              | 10 WFAM Special US Small Cap Value Eq                           | Price                                  | × | -                |          |
|              |   | Returns (Month-End)                    | × |                  |          |
|              |   | Returns (Quarter-End)                  | × | Select this colu | ımn set. |
|              |   | Strategy Analysis                      | * |                  |          |
|              |   | Summary                                | × |                  |          |

To better visualize each strategy's returns over the range of time periods shown in the column set, the Conditional Formatting tool in the Peer Analytics window can be used.

Note: Users without the Mercer Add-on cannot use the Grouping or Dynamic Ranking functions within the Peer Analytics panel to arrange and compare strategies by Morningstar Category, but a custom data point could be used for this purpose.

## Exercise 4: Use Peer Analytics to highlight return data

### Do the following:

1. The Small Cap Value Strategies list should be open. Click **Show Peer Analytics**. The Peer Analytics panel opens from the right.

|              | Investment Analysis   *Strategy Anal | ysis $\vee$ |                               | Q                                       | Search for S              | ecurities and Research              | Ĵ 🖉 🤊 😤                    |                  |
|--------------|--------------------------------------|-------------|-------------------------------|---|---------------------------|-------------------------------------|----------------------------|------------------|
| Sma          | all Cap Value Strategies $\lor$      |             |                               |   |                           |                                     |                            |                  |
| $\checkmark$ | 0 10 ⊟ ඕ ⊘ + ♀ ♂                     |             | Column Set                    | V                                       |                           |                                     | Show Peer Analytics 🥑      | Use this button  |
|              | Name                                 | Strategyld  | Strategy<br>Inception<br>Year | As of Date<br>Strategy Assets<br>mo-end | Strategy Assets<br>mo-end | Firm Name                           | Strategy Performance Sourc | Analytics panel. |
|              | 1 Brown Advisory Small-Cap Value     | STUSA051MO  | 2009                          | 12/31/2019                              | 1,695,600,000             | Brown Advisory                      | Open-End Fund - Brown      |                  |
|              | 2 Frontier Small Cap Value           | STUSA04CML  | 1999                          | 12/31/2019                              | 2,605,400,000             | Frontier Capital Management , LLC   | Separate Account - Fro     |                  |
|              | 3 Fuller & Thaler Small-Cap Value    | STUSA04C    | 1996                          | 12/31/2019                              | 6,155,760,000             | Fuller & Thaler Asset Mgmt          | Separate Account - Full    |                  |
|              | 4 Goldman Sachs US Small Cap Value   | STUSA04BHB  | 1997                          | 12/31/2019                              | 9,497,000,000             | Goldman Sachs Asset Management, L.F | Open-End Fund - Goldn      |                  |
|              | 5 Hotchkis & Wiley - Sm-Cap Val      | STUSA04BJK  | 1985                          | 09/30/2019                              | 2,043,600,000             | Hotchkis and Wiley Capital Mgmt LLC | Open-End Fund - Hotch      |                  |
|              | 6 Integrity Small Cap Value Equity   | STUSA04DZF  | 2003                          | 12/31/2019                              | 3,964,000,000             | Victory Capital Management Inc.     | Separate Account - Inte    |                  |
|              | 7 Perkins US Small Cap Value         | STUSA040V7  | 1987                          | 09/30/2019                              | 3,497,500,000             | Perkins Investment Management LLC   | Open-End Fund - Janus      |                  |
|              | 8 Sycamore Small Cap Value Equity    | STUSA04F4R  | 1993                          | 12/31/2019                              | 6,851,300,000             | Victory Capital Management Inc.     | Open-End Fund - Victor     |                  |
|              | 9 Wasatch Small Cap Value            | STUSA04BA0  | 1997                          | 12/31/2019                              | 1,361,100,000             | Wasatch Advisors Inc.               | Open-End Fund - Wasa       |                  |

- 2. Click the toggle for **Conditional Formatting**.
- 3. In the first drop-down field, select Gross Return (1Y qtr-end).
- 4. From the **Action** icon to the right of the first row, select **Duplicate**. A copy of the first row is created.

|              | Investment Analysis   *Strategy A     | Analysis | $\vee$                 | Q Search for Securities | s and Research | 4 ? 2           |                       |
|--------------|---------------------------------------|----------|------------------------|-------------------------|----------------|-----------------|-----------------------|
| Sm           | all Cap Value Strategies $\lor$       |          |                        |                         |                |                 |                       |
| $\checkmark$ | □ <sup>10</sup> 🖂 🖩 🛇 + 🕰 [           | 2        | ✓ Column Set ∨         |                         | Hide P         | eer Analytics 🚫 |                       |
|              |                                       |          | Peer Analytics         |                         |                | 0               |                       |
|              | Name                                  | Stra     |                        |                         |                |                 |                       |
|              | 1 Brown Advisory Small-Cap Value      | STL      | Grouping               |                         |                | O               |                       |
|              | 2 Frontier Small Cap Value            | STL      | Conditional Formatting |                         |                |                 |                       |
|              | 3 Fuller & Thaler Small-Cap Value     | STL      |                        |                         |                |                 |                       |
|              | 4 Goldman Sachs US Small Cap Value    | STL      | II Gross Return ( ∨    | Between V               | Min . Max 🗛 🗸  | $\mathbf{O}$    |                       |
|              | 5 Hotchkis & Wiley - Sm-Cap Val       | STL      |                        |                         |                |                 |                       |
|              | 6 Integrity Small Cap Value Equity    | STL      | Add Formatting Bule    |                         | Rule Options   |                 | Select this option    |
|              | 7 Perkins US Small Cap Value          | STL      |                        |                         | 0.1.1          |                 | from the Action icon. |
|              | 8 Sycamore Small Cap Value Equity     | STL      | Dynamic Ranking        |                         | Delete         |                 |                       |
|              | 9 Wasatch Small Cap Value             | STL      |                        |                         | Duplicate      |                 |                       |
|              | 10 WFAM Special US Small Cap Value Eq | STL      | Summary Statistics     |                         |                |                 |                       |
|              |                                       |          | Benchmarks             |                         |                | O               |                       |
|              |                                       |          | Scorecard              |                         |                | $\bigcirc$      |                       |
|              |                                       |          |                        |                         |                |                 |                       |
|              |                                       |          |                        |                         |                |                 |                       |

- 5. In the new row, select Gross Return (3Y qtr-end).
- 6. Repeat step 4 to **duplicate** the second row.
- 7. In the new row, select Gross Return (5Y qtr-end).
- 8. Repeat step 4 to **duplicate** the third row.
- 9. In the new row, select Gross Return (10Y qtr-end).
- 10. Click Apply.

|      | Investment Analysis   *Strategy An   | Q Search for S | Securitie              | s and Res | earch  | Û Û    | 2 2   |             |            |                        |
|------|--------------------------------------|----------------|------------------------|-----------|--------|--------|-------|-------------|------------|------------------------|
| Smal | l Cap Value Strategies $\lor$        |                |                        |           |        |        |       |             |            |                        |
| 0    | 10 ⊟ 🖩 🛇 + 🕰 🖸                       |                | ✓ Column Set ∨         |           |        |        |       | Hide Peer A | nalytics 📎 |                        |
|      |                                      |                | Peer Analytics         |           |        |        |       |             | 0          |                        |
|      | Name                                 | Stra           |                        |           |        |        |       |             |            |                        |
|      | 1 Brown Advisory Small-Cap Value     | STL            | Grouping               |           |        |        |       |             | O          |                        |
|      | 2 Frontier Small Cap Value           | STL            | Conditional Formatting |           |        |        |       |             |            |                        |
|      | 3 Fuller & Thaler Small-Cap Value    | STL            | 5                      |           |        |        |       |             | _          |                        |
|      | 4 Goldman Sachs US Small Cap Value   | STL            | 🗉 🛛 Gross Return ( 🗸   | Between   | $\vee$ | Min    | - Max | Aa 🔍        |            | Be sure all four       |
|      | 5 Hotchkis & Wiley - Sm-Cap Val      | STL            |                        |           |        |        |       |             |            | return time periods    |
|      | 6 Integrity Small Cap Value Equity   | STL            | II Gross Return ( ∨    | Between   | V      | Min    | - Max | Aa 🕥        |            | are selected           |
|      | 7 Perkins US Small Cap Value         | STL            |                        |           |        |        |       | _           |            | before clicking Apply. |
|      | 8 Sycamore Small Cap Value Equity    | STL            | = 0 D. /               |           |        | M.     | Mau   |             |            |                        |
|      | 9 Wasatch Small Cap Value            | STL            | = Gross neturn ( V     | Detween   |        | IVIIII | IVIdX | Ad 🔍        |            |                        |
| U 1  | 0 WFAM Special US Small Cap Value Eq | STL            |                        |           |        |        |       |             |            |                        |
|      |                                      |                | II Gross Return ( ∨    | Between   | $\vee$ | Min    | - Max | Aa ∨        |            |                        |
|      |                                      |                | <u></u>                |           |        |        |       |             |            |                        |
|      |                                      |                | Add Formatting Rule    |           |        |        |       |             |            |                        |
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|      |                                      | 낢              |                        |           |        |        |       | (           | Apply      |                        |

- 11. Click **Hide Peer Analytics** to close the Peer Analytics window. The color assigned to each cell in a column is chosen relative to the return values for the strategies in the list, and not to those in a category or peer group.
  - ☞ Note: To retain these settings, save the workbook.

This section contains a number of exercises to help users analyze strategy data in the Analytical View of the Strategy Analysis workbook. The following exercises are covered:

- ► Read the background and history of a strategy and its firm (page 13)
- Review Morningstar research for a strategy (page 14)
- ► Compare the performance of multiple vehicles (page 16)
- Examine market cap characteristics for strategies (page 18)
- ► See the intersection of holdings among multiple strategies (page 19), and
- ► See what vehicles a strategy offers (page 21).

The data shown on the Overview tab of the Analytical View can also be seen in the Grid, but reading it on the Overview tab can be easier given the layout of the Strategy Overview component. Do the following:

- The Small Cap Value Strategies list should be open in the Strategy Analysis workbook. Click the **name** of the strategy in the first row. The Analytical View opens, and the Overview tab is selected by default.
- 2. Review the data in the component for both the strategy and the firm.
- 3. Under the Background and History section, click **Read more** to see the firms full description.

Investment Analysis | \*Strategy Analysis V Small Cap Value Strategies V Analytical View TH Ed Overview ∨ Research Performance MPT Holdings Characteristics Vehicle A + New Tab 10 🛍 🛇 🕂 🕰 Strategy Overview . Brown Advisory Small-Cap Value Strategy Characteristics Name Name Inception Year Assets I Brown Advisory Small-Cap Value Brown Advisory 12/31/2019 2009 2 Frontier Small Cap Value 1.70 billion Small-Cap Value 3 Fuller & Thaler Small-Cap Value 4 Goldman Sachs US Small Cap Value **Firm Details** 5 Hotchkis & Wiley - Sm-Cap Val Name Assets 12/31/2019 Inception Yea 6 Integrity Small Cap Value Equity Brown Advisory 1993 7 Perkins US Small Cap Value 38.04 billion USD 8 Sycamore Small Cap Value Equity 9 Wasatch Small Cap Value Background and History Click here to 10 WFAM Special US Small Cap Value Eq Brown Advisory was founded in 1993 as an investment management arm of Alex. Brown & Sons, a expand this section. Baltimore-based investment bank that was founded in 1800. Alex. Brown & Sons was the first investment bank in the United States, and was a leading underwriter of IPOs during the 80s and 90s, includin Read more 🗸

Exercise 5: Read the background and history of a strategy and its firm Not all strategies offer Morningstar research, and some that do offer a quantitative analysis rather than a qualitative analysis. To explore what Morningstar research is available for different strategies, do the following:

Exercise 6: Review Morningstar research for a strategy

1. The strategy in the first row should be selected. Click the **Research** tab. Note that this strategy offer quantitative data, but no qualitative research.



2. In the Grid panel to the left, click the Hotchkis & Wiley - Sm-Cap Val strategy.

| Investment Analysis   *Strategy Analys   | is v  | Q Search for Sea   | curities and Re  | esearch   | Û   | 6           | 2            |        |
|--|---|--|--|---|---|-------------|--------------|--------|
| Small Cap Value Strategies $\lor$  | Analytical View   |  |  |   |   |             | $\times$     |        |
| $\sqrt{1}$ 10 $\mathbb{I}$ $\otimes$ + $\mathbb{Q}$  | Overview Research V   | Performance MPT Holdings   | Characteristi  | cs Vehicle A  | ≥ + New T   | ab 🗄        | Ed Ed        |        |
|  | Analyst Research . Hoto   | hkis & Wiley - Sm-Cap Val  |  |   |   | í           | $\mathbb{Z}$ |        |
| Neme     Is rown Advisory Small-Cap Value     Z Frontier Small Cap Value     3 Fuller 6 Thaler Small-Cap Value     4 Goldman Sachs US Small Cap Value  | Vehicle Name<br>Hotchkis & Wiley<br>Small Cap Value I<br>Process O Positive   | Process<br>02/22/2019<br>Positive                                      | People<br>02/22/2019<br>Positive                             | e   | Parent<br>02/22/201<br>OPositi  | 9<br>Ve     |              |        |
| 6 Hotchkis & Wiley - Sm-Cap Val     6 Integrity Small Cap Value Equity     7 Perkins US Small Cap Value Equity     8 Sycamore Small Cap Value Equity     9 Wasatch Small Cap Value     10 WFAM Special US Small Cap Value Eq | Kevin McDevitt, CFA = 0.<br>Hotchkis & Wiley has li<br>tries to capitalize on sh<br>using normalized earni<br>up with ideas and inclu<br>Qualitative Research = H | e firm's equity<br>Ig-term earnir<br>each sector ti<br>k, high free ca | strategies. I<br>ligs potential<br>eam to come<br>lish flow, | Note t<br>Morni<br>write i<br>repres<br>vehicli<br>additio<br>availal<br>Qualit | he<br>ngstar Analyst<br>up here for the<br>entative<br>e, and the<br>onal reports<br>ble from the<br>ative Research |             |              |        |
|  | <ol> <li>This list contains res</li> </ol>  | earch about vehicles associated v                                      | vith the selected  | d strategy.   |   |             | compo        | onent. |
|  | Title   |  | Author   | Vehicle<br>Identifier   | Investment<br>Type  | Date        | *            |        |
|  | U.S. Open-End Fund & ETF<br>2019  | Rating Activity, Feb. 17 - 23,   | Gabrielle  | HWSIX   | Open-End  | Feb 26 2019 |              |        |
|  | Hotchkis & Wiley Small Ca   | p Value I  | Kevin Mc   | HWSIX, H  | Open-End  | Feb 22 2019 |              |        |
|  | Long Live Value Investing   |  | Kevin Mc   | HWSIX   | Open-End  | Oct 30 2018 | -            |        |
|  | Morningstar Magazine: Lo<br>Rising Rates Could Spark  | ng Live Value Investing; Why<br>a Value Comeback                       | Kevin Mc   | HWSIX, H  | Open-End  | Oct 19 2018 |              |        |
|  | Morningstar Analyst Ratio   | os: Undated U.S. Fund Ratinos  | Laura Pav  | HWSIX   | Open-Fnd  | Mar 27 2017 | •            |        |

3. The Qualitative Research component contains any qualitative research related to the selected strategy or the firm that employs it. To read an item, click the report's **title**.



When visiting the Performance tab, note that the representative vehicle shows by default in both components. To see multiple vehicles for a strategy in the chart and table, do the following:

Exercise 7: Compare the performance of multiple vehicles

- 1. The Hotchkis & Wiley Sm-Cap Val strategy should still be selected. Click the **Performance** tab.
- 2. In the Return Growth chart, click the **Component Settings** icon.
- 3. Select **Vehicles** > then check the box for **all available vehicles**.

| Investment Analysis   *Strategy Anal  | Search ⊂ Search                                       | h for Securities and Research 🗘 🖉 🤗                               |
|---|---|---|
| Small Cap Value Strategies $\lor$   | Analytical View                                       | ×   |
| $\checkmark$ 10 $\blacksquare$ $\bigcirc$ + $\Box$  | Overview Research <u>Performance ∨</u> MPT            | Holdings Characteristics Vehicle 🖉 + New Tab                      |
|   | Return Growth   | Hotchkis & Wiley - Sm-Cap Val 🔯 🗹 🔊                               |
| e Name  | - Hotchkis & Wiley Small Cap Value I - N              | Norni Component Settings  |
| 1 Brown Advisory Small-Cap Value  | -   | Time Period<br>01/01/2010 - 12/31/2019                            |
| 2 Frontier Small Cap Value     3 Fuller & Thaler Small-Cap Value                                    | 21,796.89   | Data Point  |
| <ul> <li>4 Goldman Sachs US Small Cap Value</li> <li>5 Hotchkis &amp; Wiley - Sm-Cap Val</li> </ul> | ₹ 10,000.00   | Frequency >   |
| 6 Integrity Small Cap Value Equity  7 Perkins US Small Cap Value  8 Sycamore Small Cap Value Equity | Vehicles Done   | Vehicles<br>Open-End Fund - Hotchkis & Wiley Small<br>Cap Value I |
| 9 Wasatch Small Cap Value     10 WFAM Special US Small Cap Value Eo                                 | Open-End Fund - Hotchkis & Wiley<br>Small Cap Value A | 13 Benchmark 2019<br>Morningstar US Small Val TR USD              |
|   | Open-End Fund - Hotchkis & Wiley<br>Small Cap Value C | Select this setting, then choose up to 10 vehicles.               |
|   | Open-End Fund - Hotchkis & Wiley<br>Small Cap Value I |   |
|   | Open-End Fund - Hotchkis & Wiley<br>Small Cap Value Z |   |
|   | Separate Account - Hotchkis & Wiley -<br>Sm-Cap Val   |   |
| 5/5   | Clear All   |   |

#### 4. Click Done.

5. Click away from the Component Settings menu to close it. Note that the time horizon updates to reflect the earliest common time period shared by all selected vehicles.

- 6. To see which vehicle has resulted in the truncated time horizon, click the **Vehicle Analysis** tab.
- 7. Scroll right to see which vehicle is missing return data for different time periods.

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|--|--|-----------------------|-----------------------|-----------------------|--------------------------|------|
| Investment Analysis   Strategy Analys                      | sis ∨ Sea                                    | arch for Securiti     | s and Research        |                       |                          | ( )> |
| Small Cap Value Strategies $\lor$                          | Analytical View                              |                       |                       |                       | $\succ$                  | <    |
| $\checkmark$ 1 10 $\square$ $\bigcirc$ + $\underline{=}$ Q | Performance MPT Holdings Characte            | eristics Vehicle      | Analysis 🗸 Ris        | k Facto 📎 🕂 N         | lew Tab 🛛 🖽 E            | c    |
|  | Vehicle Analysis = Hotchkis & Wiley - Sm-Cap | Val                   |                       |                       |                          | -    |
| Name   | Name   | Primary Return<br>YTD | Primary Return<br>1yr | Primary Return<br>3yr | Primary Return Pr<br>5yr | i    |
| 1 Brown Advisory Small-Cap Value                           | 1 Hotchkis & Wiley - Sm-Cap Val              | 19.90                 | 19.90                 | 4.04                  | 4.84                     |      |
| 2 Frontier Small Cap Value                                 | 2 Hotchkis & Wiley Small Can Value A         | 20.13                 | 20.13                 | 3 10                  | 3.60                     | -    |
| 3 Fuller & Thaler Small-Cap Value                          | 3 Hotchkis & Wiley Small Cap Value C         | 19.25                 | 19.25                 | 2.34                  | 2.82                     | -    |
| 4 Goldman Sachs US Small Cap Value                         | 4 Hotchkis & Wiley Small Cap Value I         | 20.40                 | 20.40                 | 3.35                  | 3.85                     | -    |
| 5 Hotchkis & Wiley - Sm-Cap Val                            | 5 Hotchkis & Wiley Small Cap Value Z         | _                     | _                     | _                     | _                        |      |
| <ul> <li>6 Integrity Small Cap Value Equity</li> </ul>     |  |                       |                       |                       |                          |      |
| 7 Perkins US Small Cap Value                               |  |                       |                       |                       |                          |      |
| 8 Sycamore Small Cap Value Equity                          |  |                       |                       |                       |                          | 1    |
| <ul> <li>9 Wasatch Small Cap Value</li> </ul>              |  |                       |                       |                       |                          | 1    |
|  |  |                       |                       |                       |                          |      |

Note that the Z share is missing return data for all time periods

- 8. Click the **Performance** tab. Note that the chart has reset to showing only the original representative vehicle.
- 9. In the Return Growth chart, click the Component Settings icon.
- 10. Select Vehicles > then check the box for all vehicles, except the Z share class.



- 11. Click Done.
- 12. To see the same information in the Performance Analysis table, repeat steps 2-4 from the **Component Settings** menu there.

Which strategies tend to hold stocks with the smallest and largest market capitalizations? This question can be answered by comparing strategies in the list on the Characteristics tab. Do the following:

Exercise 8: Examine market cap characteristics for strategies

- 1. The Hotchkis & Wiley Sm-Cap Val strategy should still be selected. Click the **Characteristics** tab.
- 2. In the component at the top of the tab, use the **Component Settings** icon to change the **Data Point** setting to **Average Market Cap (mil)**.

| Investment Analysis   Strategy Analysi         | S V Search fo  | or Securities and Research                              | 4 7 2       |
|--|--|---|-------------|
| Small Cap Value Strategies $\lor$              | Analytical View                                      |   | $\times$    |
| √1 10  | Overview Research Performance MPT Holding            | gs Characteristics $\checkmark$ Vehicle A $>$ + New Tab | 🖽 Ed        |
|  | Characteristics • P/E Ratio • Quarterly • Hotchkis & | Wiley - Sm-Cap Val                                      | © 2 S       |
| Name Name                                      | 15.63  | Component Settings                                      | s & Wiley - |
| 1 Brown Advisory Small-Cap Value               |  | Time Period<br>01/01/2017 - 12/31/2019                  | > Val       |
| 2 Frontier Small Cap Value                     |  | Data Point  | <u>&gt;</u> |
| 3 Fuller & Thaler Small-Cap Value              | ta Point   | P/E Ratio   | <u></u>     |
| 4 Goldman Sachs US Small Cap Value             | /  | Frequency<br>Quarterly                                  | >           |
| S Hotonkis & Wiley - Sm-Cap Val                |  |   |             |
| 7 Perkins US Small Can Value 12 Mon            | th Vield   | No Benchmark  | >           |
| 8 Sycamore Small Cap Value Fouity              | 12   | Comparisons   |             |
| 9 Wasatch Small Cap Value Average              | e Market Cap (mil)                                   | 0 Selected  | >           |
| 10 WFAM Special US Small Cap Value Eq. Total M | arket Value (mil)                                    |   | 2 F8 N      |
| Active S                                       | Share  | Scroll down to  |             |
| # of Hol                                       | ldings Total   | select this data point.                                 |             |
| Fixed In                                       | come   |   |             |

- 3. Click away from the Component Settings menu to close it.
- 4. In the Grid panel to the left, check the **Select All** box, then click it a second time to highlight all strategies in the list.

|    | Select this checkbox to display<br>all strategies in the two<br>components on the tab. |            |           |          |          |              |          |              |            |        |              |                         |          |          |
|----|--|------------|-----------|----------|----------|--------------|----------|--------------|------------|--------|--------------|-------------------------|----------|----------|
|    | Investment Analysis   *Strategy A  | nalysis 🗸  |           |          |          | Q Sea        | irch foi | r Securities | and Rese   |        |              | Û 🖌 (                   | ?        | 2        |
| Sm | all Cap Value Strategies $ arsigma$  | Analytica  | View      |          |          |              |          |              |            |        |              |                         |          | $\times$ |
| (~ | /10 10 🗓 🛇 + 🕰   | Overview F | lesearch  | Perfo    | rmance   | MPT H        | lolding  | s Charact    | eristics V | Vehicl | e A 💊 +      | New Tab                 | B        | E E      |
| -  |  | Characteri | stics • A | verage I | Market C | ap (mil) • ( | Quarter  | ly • Multipl | e Investme | nts    |              | ŝ                       | Ľ        | 2        |
|    | Name   | 3,369.13   |           |          | i l      |              | Ι.       | h            |            |        |              | Brown Advi<br>Small-Cap | isory    | *        |
|    | 1 Brown Advisory Small-Cap Value   |            | h         | hi -     | 11.      | h In         |          |              | L III      | 161    | <b>h</b> .ll | Value                   |          |          |
|    | 2 Frontier Small Cap Value   |            | - Un      | լլլ      | Hu       | հմե          |          |              |            |        |              | Cap Value               | all      |          |
|    | 3 Fuller & Thaler Small-Cap Value  | 1,684.56   | 1         | 111      |          |              |          |              |            |        |              | Fuller & Th:            | aler     |          |
|    | 4 Goldman Sachs US Small Cap Value   |            |           |          |          |              |          |              | I.III      |        |              | Small-Cap               |          |          |
|    | 5 Hotchkis & Wiley - Sm-Cap Val  |            |           |          |          |              |          |              |            |        |              | Value<br>Goldmon S      | ache     |          |
|    | 6 Integrity Small Cap Value Equity   | 0.00       |           |          |          |              |          |              |            |        |              | US Small C              | ap       |          |
|    | 7 Perkins US Small Cap Value   |            | 01        | 02       | 03 (     | 4 01         | 02       | 03 0         | 1 01       | 02 (   | 13 04        |                         | <u> </u> | ·        |
|    | 8 Sycamore Small Cap Value Equity  |            | 2017      | uε       | 40 0     | 2018         | 42       | 45 4         | 2019       | 42 (   | 10 44        |                         |          |          |
|    | 9 Wasatch Small Cap Value  |            |           |          |          |              |          |              |            |        |              |                         |          |          |
|    | 10 WFAM Special US Small Cap Value Eo  | Observed   | N 0       |          |          | In Investor  |          |              |            |        |              | 50                      | гЯ       | 7.       |

5. In the Characteristics component at the bottom, click the column header for **Average Market Cap (mil)** to sort on that column. Note that not all strategies have data available.

|  |            |           |           |             |           |                    | Click the c<br>to sort on t | olumn he<br>this data | eader<br>point. |                             |           |
|--|------------|-----------|-----------|-------------|-----------|--------------------|-----------------------------|-----------------------|-----------------|-----------------------------|-----------|
| Characteristics • Quarterly • Multiple Investments | 12/31/2019 |           |           |             |           |                    |                             |                       |                 |                             |           |
| Name   | P/E Ratio  | P/B Ratio | P/C Ratio | P/FCF Ratio | P/S Ratio | Debt to<br>Capital | ROE                         | ROA                   | ROIC            | Average Market Cap<br>(mil) | Total Mar |
| 1 WFAM Special US Small Cap Value Eq               | 14.83      | 1.55      | 8.66      | 23.66       | 1.01      | 36.30              | 10.12                       | 3.93                  | 8.01            | 1,433.57                    |           |
| 2 Brown Advisory Small-Cap Value                   | 19.05      | 1.82      | 9.82      | 16.49       | 0.97      | 41.84              | 10.42                       | 3.54                  | 6.22            | 1,967.93                    |           |
| 3 Hotchkis & Wiley - Sm-Cap Val                    | 12.67      | 1.13      | 6.79      | 42.50       | 0.51      | 37.75              | 5.08                        | 0.86                  | -               | 2,159.21                    |           |
| 4 Frontier Small Cap Value                         | 17.46      | 1.55      | 9.04      | 46.51       | 1.13      | 39.63              | 9.46                        | 3.16                  | 6.95            | 2,295.65                    |           |
| 5 Integrity Small Cap Value Equity                 | 16.90      | 1.67      | 8.94      | 40.82       | 0.90      | 40.59              | 7.90                        | 2.27                  | 4.78            | 2,610.70                    | ;         |
| 6 Sycamore Small Cap Value Equity                  | 19.75      | 1.93      | 11.61     | 28.58       | 0.95      | 31.80              | 11.29                       | 4.54                  | 7.65            | 2,637.56                    | 1         |
| 7 Goldman Sachs US Small Cap Value                 | 18.16      | 1.76      | 10.29     | 42.11       | 1.36      | 38.03              | 8.96                        | 3.19                  | 6.79            | 2,772.78                    | 5         |
| 8 Fuller & Thaler Small-Cap Value                  | -          | -         | -         | -           | -         | -                  | -                           | -                     | -               | -                           |           |
| 9 Perkins US Small Cap Value                       | -          | -         | -         | -           | -         | -                  | -                           | -                     | -               | -                           |           |
| 10 Wasatch Small Cap Value                         | -          | -         | -         | -           | -         | -                  | -                           | -                     | -               | -                           |           |

Note that several vehicles are missing data.

The Characteristics table showed which strategy has the smallest market capitalization among the strategies in the list. What holdings make it unique from the other Small Cap Value strategies here? The Holdings tab helps answer this question.

The Holdings tab contains the Allocation chart and the Holdings Analysis table. Adding a component allows users to see the holdings of multiple strategies at once. To see what makes the strategy with the smallest market capitalization unique, and what holdings several of these peer strategies hold in common, do the following:

- 1. In the Grid panel to the left, click the **Hotchkis & Wiley Sm-Cap Val** strategy so only it is selected.
- 2. Click the **Holdings** tab.
- 3. In the upper-right corner, click Edit. The Edit panel opens.

|    |                                       |                   |                 |             | Click this ic                 | on to change the la           | yout of the tab. | •      |          |
|----|---------------------------------------|-------------------|-----------------|-------------|-------------------------------|-------------------------------|------------------|--------|----------|
|    | Investment Analysis   *Strategy Analy | sis ∨             |                 | Q ;         | Search for Securit            | ties and Research             | Û                | j (    | ) &      |
| Sm | all Cap Value Strategies $ 	imes $    | Analytical View   | N               |             |                               |                               |                  |        | $\times$ |
|    | 1 10 🔟 🛇 + 🖓                          | Overview Resear   | ch Performa     | nce MPT     | Holdings ∨ C                  | haracteristics Vehicle A      | ♦ + New Tab      | Ľ      | 田 Edit   |
| _  |                                       | Allocation • Asse | et Allocation • | 11/30/2019  | ) • Hotchkis & Wiley          | r - Sm-Cap Val                |                  | \$\$ E | 2        |
| •  | Name                                  | Name              | Portfolio %     | Hotchk      | tis & Wiley - Sm-Caj<br>25.00 | p Val I No Benchmark<br>50.00 | 75.00            | 1      | 00.00    |
|    | 1 Brown Advisory Small-Cap Value      | Stock             | 97.28           |             |                               |                               |                  |        |          |
|    | 2 Frontier Small Cap Value            | Cash              | 2.72            |             |                               |                               |                  |        |          |
|    | 3 Fuller & Thaler Small-Cap Value     | Bond              | 0.00            |             |                               |                               |                  |        |          |
|    | 4 Goldman Sachs US Small Cap Value    | Convertible       | 0.00            |             |                               |                               |                  |        |          |
|    | 5 Hotchkis & Wiley - Sm-Cap Val       | Other             | 0.00            |             |                               |                               |                  |        |          |
|    | 6 Integrity Small Cap Value Equity    |                   | 0.00            |             |                               |                               |                  |        |          |
|    | 7 Perkins US Small Cap Value          | Preferred         | 0.00            |             |                               |                               |                  |        |          |
|    | 8 Sycamore Small Cap Value Equity     |                   |                 |             |                               |                               |                  |        |          |
|    | 9 Wasatch Small Cap Value             |                   |                 |             |                               |                               |                  |        |          |
|    | 10 WFAM Special US Small Cap Value Eq | Heldinge Analysi  | a = 11/20/201   | 0 = Hotobki | o & Wiley Sm Con              | Val                           |                  | sôn D  | Z        |

Exercise 9: See the intersection of holdings among multiple strategies 4. Under the Holdings section of the Edit panel, **click-and-drag** the **Holdings Comparison** component so it is to the left of the Holdings Analysis table.

| Inves         | tment Analy                       | /sis   *Strategy                           | y Analy             | sis 🗸                           |                         | Q :        | Search for Sec | curities and Research 🔔 4  | 402                  |                      |
|---------------|-----------------------------------|--|---------------------|---------------------------------|-------------------------|------------|----------------|--|----------------------|----------------------|
| verview Resea | arch Performa<br>set Allocation • | nce MPT <u>Holdi</u><br>11/30/2019 • Hotch | ngs ∨<br>nkis & Wil | Characteristic<br>ey - Sm-Cap V | s Vehicle Analysi<br>al | is Risk 🕪  | + New Tab      | Edit<br>Drag & drop charts, tables, and research tools<br>your analysis. | Done<br>to customize |                      |
| Name          | Portfolio %                       | Hotchkis & Wile<br>0.00%                   | ey - Sm-C<br>25.00  | ap Val I No E                   | Benchmark<br>50.00      | 75.00      | 100.00         | Q Search for charts, tables, research                                    |                      |                      |
| Stock         | 97.28                             |  |                     |                                 |                         |            |                | Holdings   |                      |                      |
| Cash          | 2.72                              |  |                     |                                 |                         |            |                | II Characteristics   | ?                    |                      |
| Bond          | 0.00                              |  |                     |                                 |                         |            |                | II Historical Holdings Analysis  | ?                    |                      |
| Convertible   | 0.00                              |  |                     |                                 |                         |            |                | II Holdings Analysis   | ?                    |                      |
| Other         | 0.00                              |  |                     |                                 |                         |            |                | Holdings Comparison  | ?                    |                      |
| Preferred     | 0.00                              |  |                     |                                 |                         |            |                | ii Holdings Plot   | ?                    | Drag this componen   |
|               |                                   |  |                     |                                 |                         |            |                | Markets  |                      | to the highlighted a |
|               |                                   |  |                     | Val                             |                         |            | \$ X           | II Advanced Performance Chart  | ?                    |                      |
|               |                                   |  |                     |                                 |                         |            |                | II Basic Performance Chart   | ?                    |                      |
|               |                                   |  |                     | Ticker                          | Portfolio Weight        | Sharaa     | Position Ma    | II Commodities   | ?                    |                      |
| Hole          | dings Comparis                    | on • Po 🕸                                  | ×                   | TIGNET                          |                         | onares     | value (        | II Cryptocurrency Exchange Rates Table                                   | 0                    |                      |
|               | 0                                 |  |                     | -                               | 100.00                  | 72,134,2   | 689            | I Farnings Calendar  | 2                    |                      |
|               |                                   |  |                     | ESGR                            | 6.03                    | 203,879.00 | E              | I Economic Calendar  | 0                    |                      |
|               |                                   |  |                     | SHG                             | 5.93                    | 1 220 00   |                | Il Economic outendal   | 0                    |                      |
|               |                                   |  |                     | NTB                             | 4 49                    | 896.000.00 |                |  | 0                    |                      |
|               |                                   |  |                     | BPOP                            | 4.15                    | 517,900.00 |                | II FX Hates lable  | (?)                  |                      |
|               |                                   |  |                     | HNGR                            | 3.47                    | 913,900.00 |                | II Global Market Barometer   | ?                    |                      |
|               |                                   |  |                     |                                 |                         |            |                | II LIBOR Rates   | ?                    |                      |
|               |                                   |  |                     | 1                               |                         |            |                | II Morningstar Sector Heatmap  | ? *                  |                      |

- 5. Click **Done** to close the Edit panel.
- 6. In the Grid panel to the left, **check the box** to the left of three other strategies.
- 7. In the Holdings Comparison table, click the **Component Settings** icon and select **Holdings Display** > **Unique**.

| all cap value strategies V  | Analytical View  |  |   |                          |                     |
|---|--|--|---|--------------------------|---------------------|
| 4 10 ⋒ 🔿 + 🔍  | Overview Research Performance MPT  | Holdings 🗸 Characteristics Vehicle Analysis Risk | Factor Scenario Analysis + New Tab  |                          |                     |
|   | Allocation   Asset Allocation   11/30/2015   | 3  |   |                          |                     |
| Name  | 0.00   | 26.13  | 52.26   |                          |                     |
| 1 Brown Advisory Small-Cap Value<br>2 Frontier Small Cap Value  | Stock  |  |   |                          |                     |
| 3 Fuller & Thaler Small-Cap Value<br>4 Goldman Sachs US Small Cap Value                                 | Cash   |  |   |                          |                     |
| 5 Hotchkis & Wiley - Sm-Cap Val<br>6 Integrity Small Cap Value Equity<br>7 Perkins US Small Cap Value   | Bond   |  |   |                          |                     |
| 8 Sycamore Small Cap Value Equity<br>9 Wasatch Small Cap Value<br>10 WEAM Special US Small Cap Value En | Convertible  |  |   |                          |                     |
|   | Other  |  |   |                          |                     |
|   | Holdings Comparison • Portfolio Weight %   | 6 ° Multiple Investments                         |   | 🔯 🖾 🛛 Holdings A         | Change the value of |
|   | r  |  | Component Setting   | 3                        | this setting to see |
|   | Name K   | oldings Display                                  | 019 Portfolio Date<br>11/30/2019  | >                        | what makes the      |
|   | 1 Enstar Group Ltd   |  | - Holdings Display  | × 1                      | Unginally selected  |
|   | 2 Seritage Growth Prope Subject  | rt -   | Subject   | · · · ·                  | strategy unique.    |
|   | 2 Seritage Growth Prope<br>3 First Hawaiian Inc<br>4 Bank of N.T Butterfield All   | rt   |   | >                        | strategy unique.    |
|   | 2 Seritage Growth Prope<br>3 First Hawaiian Inc<br>4 Bank of NJ Butterfield<br>5 Popular Inc<br>6 Hanger Inc<br>Unique   | сt<br>Э  | - Data Point     - Portfolio Weight %     2.79 Identifiers     - Ticker   | > 1                      | strategy unique.    |
|   | 2 Saritage Growth Prope<br>3 First Havailan Inc<br>4 Bank of I Naturefield<br>5 Popular Inc<br>6 Hanger Inc<br>7 Arrow Electronics Inc<br>8 CNO Financial Group Comm | e on   | Data Point     Data Point     Data Point     Portfolio Weight %     Z79 Identifiers     Ticker     Comparisons     J Selected | > =<br>> =<br>> =<br>> = | strategy unique.    |

- 8. Click away from the Component Settings menu to close it. The holdings showing under the column for Hotchkis & Wiley Sm-Cap Val are not owned by the other three strategies selected.
- 9. In the Holdings Comparison table, click the **Component Settings** icon and select **Holdings Display > All**.
- 10. Click away from the Component Settings menu to close it. The rows of holdings expand to show the holdings of all selected strategies.
  - ☞ Note: To save the layout with this new component, be sure to save the workbook.

The Vehicle Analysis tab has just one component, a table showing the available vehicles for a strategy. These could be mutual funds, ETFs, separate accounts, variable annuities, and more. To analyze this data, do the following:

Exercise 10: See what vehicles a strategy offers

- 1. In the Grid panel to the left, click Hotchkis & Wiley Sm-Cap Val so only it is selected.
- 2. Click the **Vehicle Analysis** tab.

| $\equiv$     | Investment Analysis   *Strategy Analy | sis v                                   | Search for Securit     | ies and Research     | Û             | K ? &         |                  |
|--------------|---------------------------------------|---|------------------------|----------------------|---------------|---------------|------------------|
| Sma          | all Cap Value Strategies $\vee$       | Analytical View                         |                        |                      |               | $\times$      |                  |
| $\checkmark$ | 1 10 🛍 ⊙ + 🕰                          | Performance MPT Holdings Ch             | naracteristics Vehicle | Analysis 🗸 🛛 Risk Fa | acto 📎 🕂 New  | Tab 🖽 Edit    | Be sure to       |
|              |                                       | Vehicle Analysis . Hotchkis & Wiley - S | m-Cap Val              |                      |               | I 4           | select this tab. |
| •            | Name                                  | Name                                    | SecID                  | Investment Type      | Base Currency | Domicile      |                  |
|              | 1 Brown Advisory Small-Cap Value      | 1 Hotchkis & Wiley - Sm-Cap Val         | SAUSA0017X             | Separate Account     | US Dollar     | United States |                  |
|              | 2 Frontier Small Cap Value            | 2 Hotchkis & Wiley Small Cap Value A    | FOUSA00LBR             | Open-End Fund        | US Dollar     | United States |                  |
|              | 3 Fuller & Thaler Small-Cap Value     | 3 Hotchkis & Wiley Small Cap Value C    | FOUSA02UBG             | Open-End Fund        | US Dollar     | United States |                  |
|              | 4 Goldman Sachs US Small Cap Value    | 4 Hotchkis & Wiley Small Cap Value I    | FOUSA00E9Z             | Open-End Fund        | US Dollar     | United States |                  |
|              | 5 Hotchkis & Wiley - Sm-Cap Val       | 5 Hotchkis & Wiley Small Can Value 7    | E0000110.15            | Open-End Fund        | US Dollar     | United States |                  |
|              | 6 Integrity Small Cap Value Equity    |   | 1000011000             | opon end rand        | 00 00101      | onited otated |                  |
|              | 7 Perkins US Small Cap Value          |   |                        |                      |               |               |                  |
|              | 8 Sycamore Small Cap Value Equity     |   |                        |                      |               |               |                  |
|              | 9 Wasatch Small Cap Value             |   |                        |                      |               |               |                  |
| $\square$    | 10 WFAM Special US Small Cap Value Eq |   |                        |                      |               |               |                  |

- 3. Scroll right to take note of the following points and questions:
  - The SecID can help users perform additional analysis on the vehicles. Use the Export icon in the component header to open the data in this table in Microsoft<sup>®</sup> Excel<sup>®</sup>, then copy the SecIDs from there to create a new list in the web-based version of Morningstar Direct.
  - Note: Some vehicle types, such as variable annuities, cannot be included in the list, as these investment types are not yet supported in the application.
  - How many different types of vehicles are available?
  - ► Which vehicles are closed to new investors?
  - Which vehicle(s) has the bulk of the strategy's assets?
  - ► How do the vehicles compare in terms of their Annual Report Next Expense Ratio?
  - ► How closely to the returns of the different vehicles follow one another?