

Frequently Asked Questions

Morningstar Advisor Workstation 2.0

Why is Morningstar changing Advisor Workstation?

We introduced Morningstar Advisor Workstation nine years ago, and have made many enhancements over the years to the existing platform. However, to better serve clients and advisors' needs, we have made significant technology upgrades and are launching a new version of Advisor Workstation that features more intuitive navigation, increased flexibility and enhanced functionality.

What is changing in Advisor Workstation?

First, let's talk about what's not changing. All of the features available in the current version of Advisor Workstation—investment planning, client presentation, portfolio analysis, hypothetical illustration, and investment research tools—will be available in Advisor Workstation 2.0. We're adding a new home page, user interface and dozens of new features to increase usability, allowing advisors to work smarter and manage their workflow more efficiently. We've improved the look and feel of Advisor Workstation, but the new capabilities will help users optimize their experience. We've based most of the updates on feedback from current clients and requests from prospective clients. One of the most requested new features that we have added is the ability to work collaboratively via file sharing with other Advisor Workstation users, either within a group office or across multiple offices.

How do the new file sharing capabilities in Advisor Workstation work?

Any file in Advisor Workstation 2.0 that can be saved can be shared with a colleague who is also an Advisor Workstation registered user from the same firm. File types that can be shared include clients and portfolios, hypothetical illustrations, searches, lists, models, and custom views. An advisor can identify the colleagues with whom they would like to share files, select the file types that they wish to share, and select the type of permissions they wish to give colleagues (read only or read/write). When looking at views of saved files, an advisor is able to see files that they created and files that have been shared with them by others. The view also shows the status of shared files (which ones are currently locked, who modified the file last, when the file was last accessed or updated, etc.).

Will I have to pay more for file sharing in Advisor Workstation?

No. We're offering file sharing at no cost to clients that—at a minimum—license the Research and/or Clients & Portfolios Module.

What's included on the Advisor Workstation home page?

The home page has a number of features to help advisors work more efficiently and it allows them tailor the home page to meet their needs. A quick-start feature allows advisors to launch their most frequently-used tools with one click, while a favorite securities list provides the latest, at-a-glance performance numbers. Investment Detail Reports and Quicktakes can now be generated from the home page. The user's most recently modified files are displayed prominently for easy access. In addition, we're now featuring the Morningstar Market Barometer on the home page. Other

features, such as alerts, product announcements and news, will be served through the home page in the future.

Will I have to pay more for the new Advisor Workstation home page?

No. We're offering the new home page at no cost to all clients that—at a minimum—license the Research and/or Clients & Portfolios Module.

Is Advisor Workstation still built using modules? What's new in them?

Yes, Advisor Workstation 2.0 features modular solutions, each of which can be customized to a specific firm's needs. We have not changed the core capabilities of our existing five modules—Clients & Portfolios, Research, Planning, Hypotheticals, and Defined Contribution. We've made many functionality and usability enhancements to these modules to allow users to work smarter and more efficiently, such as:

The Clients & Portfolios Module provides tools to quickly build, analyze and monitor client portfolios, now with enhanced capabilities and increased ease of performing tasks. Advisors can now create portfolios with far fewer steps than previously required through a uniform, streamlined workflow. Advisors can also create model portfolios using static percentage weights in addition to creating by security shares or dollar amounts. A new client criteria search feature allows advisors to quickly query their entire practice to find specific clients, such as those with more than \$1 million in assets or who live in a particular ZIP code. We've expanded limits on report length, and Report Builder output is now delivered immediately. Finally, up to 25,000 indexes are now available for benchmarking, as is the entire money market universe of more than 1,500 funds.

The Research Module now offers an intuitive navigation structure that makes it easier to find securities, create lists and generate reports. We're now offering new functionality, such as streamlined search logic, the ability to view four times as many results as in the current version of Advisor Workstation, new security universes, and a Security Report Builder function that quickly compiles multi-security research reports that include investment detail, graphs, price and distribution information and underlying holdings. There is also a new "All Securities" universe that permits searching across investment types.

The Hypotheticals Module creates real-world illustrations of past security and portfolio performance. New features in the module include fewer steps to obtain results after entering data, the ability to generate reports at any step in the illustration process, more securities per report, new reports focused on distributions and withdrawals, a correlation matrix, and a "Rolling Returns" feature to illustrate the impact of long-term investing. Finally, a new automatic benchmarking option (also available in Clients & Portfolios) can allocate a custom benchmark based on underlying asset classes or Morningstar Categories in a portfolio.

The Planning Module, which we expect will be available early in the third quarter, will deliver the functionality that is found today in Morningstar Portfolio Builder: risk tolerance questionnaires, risk assessment profiles, asset allocation identification tools, Efficient Frontier, the ability to construct portfolios and select investments via model portfolios, and Target and Historical Asset Allocation Reports. Investment Policy Statements and a variety of financial calculators are also included in the

new Planning Module. The Monte Carlo Goal Planner, Wealth Forecaster, and Wealth Report will be added by the end of 2010.

The Defined Contribution Module will offer the same functionality as before, and will offer a streamlined workflow for creating plans and producing reports. We expect this module will be available during the fourth quarter.

Will you be offering any new modules in Advisor Workstation 2.0?

We plan to offer two new modules, the Real-Time Module and Analyst Research Center, by early 2011.

The Real-Time Module powered by Morningstar QuoteSpeed™ features real-time market data and news from dozens of international and U.S. sources, covering all major equity exchanges and indexes, as well as foreign exchange and Treasury markets. Coverage will also include futures, options, commodities, and precious metals. It also provides quote data with Level II market depth, intraday and historical price and volume charting with candlesticks, OHLC (open-high-low-close) bars, and other technical indicators.

The Analyst Research Center delivers Morningstar's independent perspective, consistent methodology, and actionable insight for stocks, funds, ETFs, and IPOs. Advisors can access Morningstar analyst reports, watch videos, view data pages with key financial and historical information, and read insightful articles. The Analyst Research Center includes exclusive Morningstar analyst content available only via Advisor Workstation.

What new investment universes will be available in Advisor Workstation 2.0?

Offshore funds will be available immediately, and we expect hedge funds, preferred stocks and UITs will be available as optional universes by early 2011.

When will I be able to have access to Advisor Workstation 2.0?

New clients will be set up on Advisor Workstation 2.0 from day one. We'll be migrating existing clients to the new system over time, depending upon their current package and which new modules they want to include. We expect to fully migrate all clients to the new platform within 18 months. We have already reached out to many clients to discuss a migration timetable. If you have any questions about your firm's migration timeline, please contact your Morningstar relationship manager.

Will there be any costs incurred for our firm to migrate to Advisor Workstation 2.0?

No, we do not anticipate additional costs for a firm to migrate to the new system.

Our firm is satisfied with the current version of Advisor Workstation. Will we be required to migrate to 2.0?

Advisor Workstation 2.0 is a much more intuitive, flexible and user-friendly platform than the original version, but we understand that some firms may wish to have a longer lead time for their migration. We'll work with clients to accommodate their needs. However, we do plan to phase out support for

the current version of Advisor Workstation, so clients will eventually need to migrate to the new version of Advisor Workstation.

How will all my saved files be migrated into Advisor Workstation 2.0?

Once we schedule your firm's migration, we will assign a project manager to oversee each migration, and we will ensure that your current saved files in Advisor Workstation move to the new platform.

Will the pricing for Advisor Workstation change upon migration?

No. Because of the expanded features and functionality, we expect to make a nominal rate increase for Advisor Workstation when current contracts come up for renewal. As always, the pricing at that time will be tiered to each client, based on modules used and the number of guaranteed users.

Our firm is currently in the middle of our contract with Morningstar, but there are new modules or features in Advisor Workstation 2.0 that we'd like to add immediately that aren't covered under our current agreement. Can we update the contract to purchase those modules/features?

Yes.

Will Morningstar help to train our firm's advisors on Advisor Workstation 2.0?

Yes. A new suite of training videos will be available on Advisor Workstation 2.0's Virtual Training Center, and monthly training will be available on all modules. Our relationship management team can provide customized training. Additionally, we'll be offering individualized training at the annual Morningstar Investment Conference and Advisor User Forum in Chicago this June.

I've noticed that Morningstar is no longer using the "Enterprise Edition" term in its communications. Has the name of the product changed?

That's right. We dropped "Enterprise Edition" when we recently re-branded Advisor Workstation Office Edition as Morningstar Office. Client deployments will still use firm-specific branding to identify their unique version (e.g., Advisor Workstation ABC Edition). We've also changed the name of the "Sales/Hypotheticals Modules" to "Hypotheticals Module".