Asset Flow Forecasts

Quick Start Guide

Morningstar Direct

Contents

Asset Flow Forecasts Quick Start Guide

Overview

Welcome to Asset Flow Forecasts! This guide provides a quick orientation to the interface and briefly describes how Asset Flow Forecasts can be used. Before moving onto workflow exercises where you will practice putting the data into practice, a quick primer on how data for funds is organized in Asset Flow Forecasts, what data is available on each tab, and how to update content should prove useful.

☞ Note: Before beginning with Asset Flow Forecasts, it may also prove useful to read the Frequently Asked Questions document for Asset Flow Forecasts.

This guide covers the following topics:

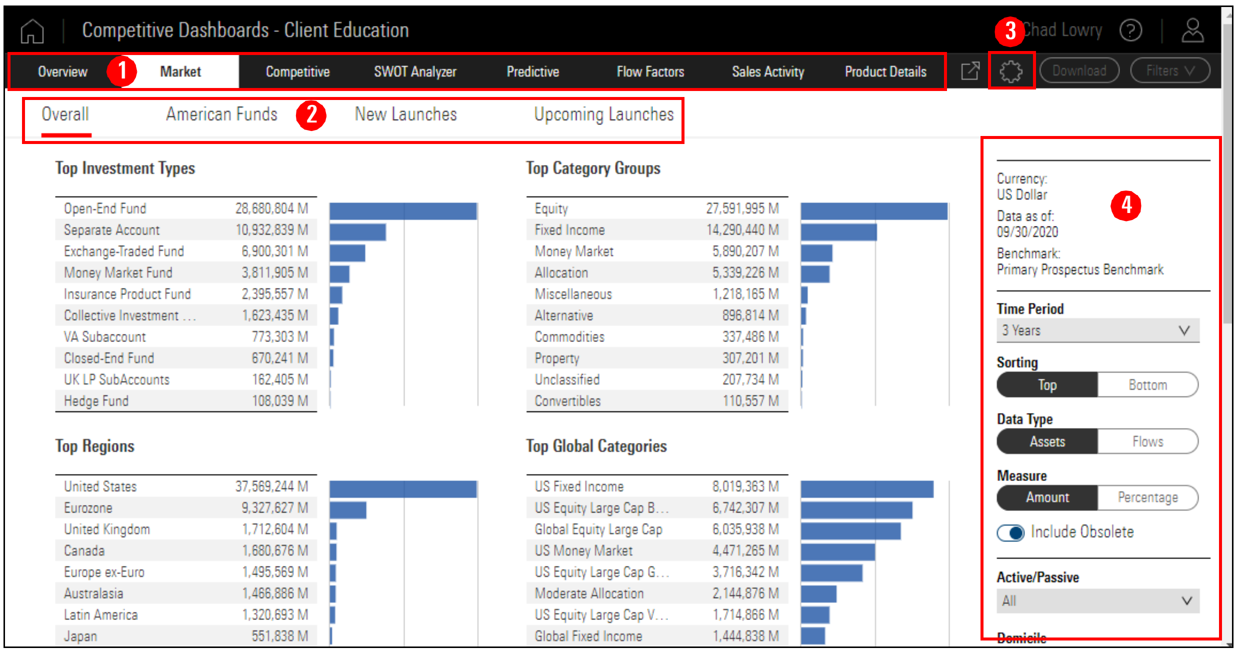
How to navigate through Asset Flow Forecasts and change the data being shown

Asset Flow Forecasts is arranged via a series of tabs across the top of the screen. On most tabs, a series of pages are also available wherein data is further segregated on that particular topic. For example, in the screen shot below you can see that the Market tab includes pages for Overall, Your Brand, New Launches, and Upcoming Launches.

The data shown on most tabs is determined via two controls: a Settings icon on the header, and a Filter panel to the right side of the screen.

☞ Note: The tabs you see depend on the configuration tied to your subscription.

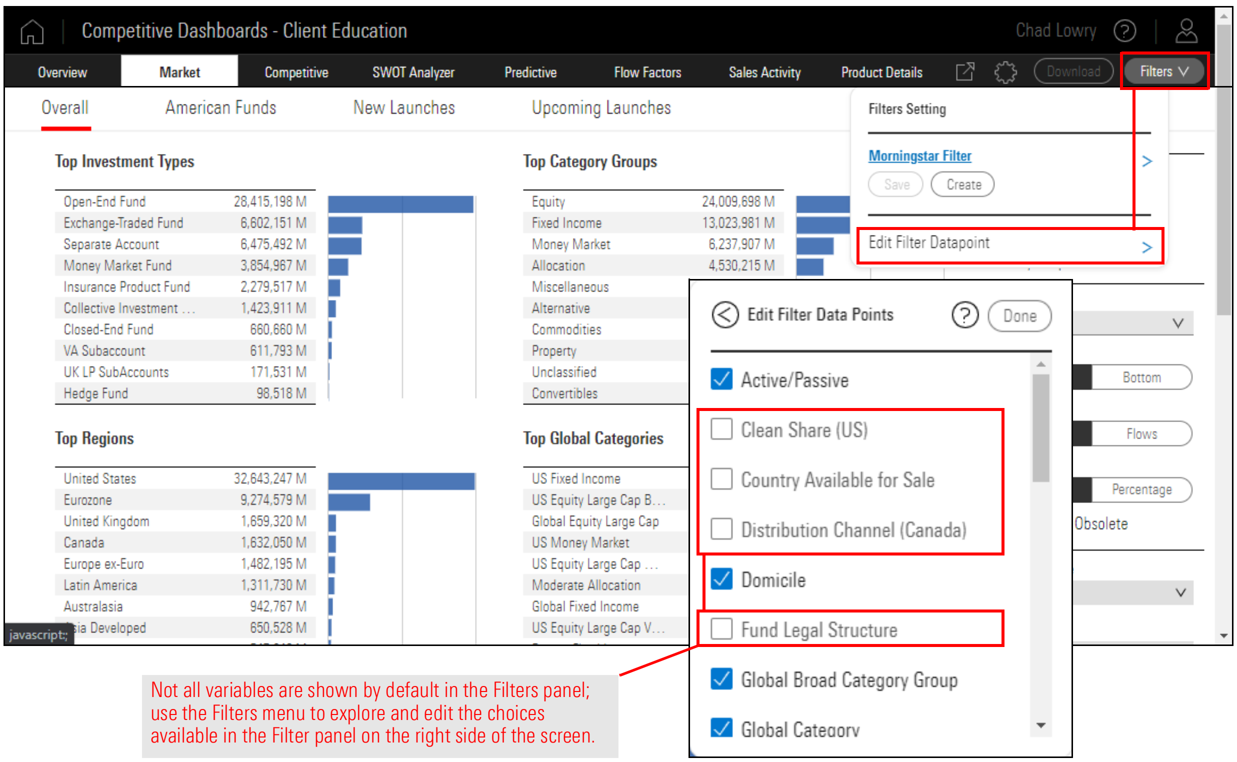
1 = Navigation tabs	3 = Settings icon
2 = Pages	4 = Filter panel



What do the Settings icon and Filter panel control?

The Settings icon controls which brands' and competitor firms' data appear on each tab and page. The Filter panel, meanwhile, offers a default selection of variables clients may want to update to change what data is being seen in Asset Flow Forecasts. Consider, too, that the Settings icon and Filter panel can both be used to control which firms' and brands' data is seen on a tab or page. That is, you may first use the Settings icon to choose, say, five competitors, but then use the Firm Name option in the Filter panel to show only three of those for a specific analysis.

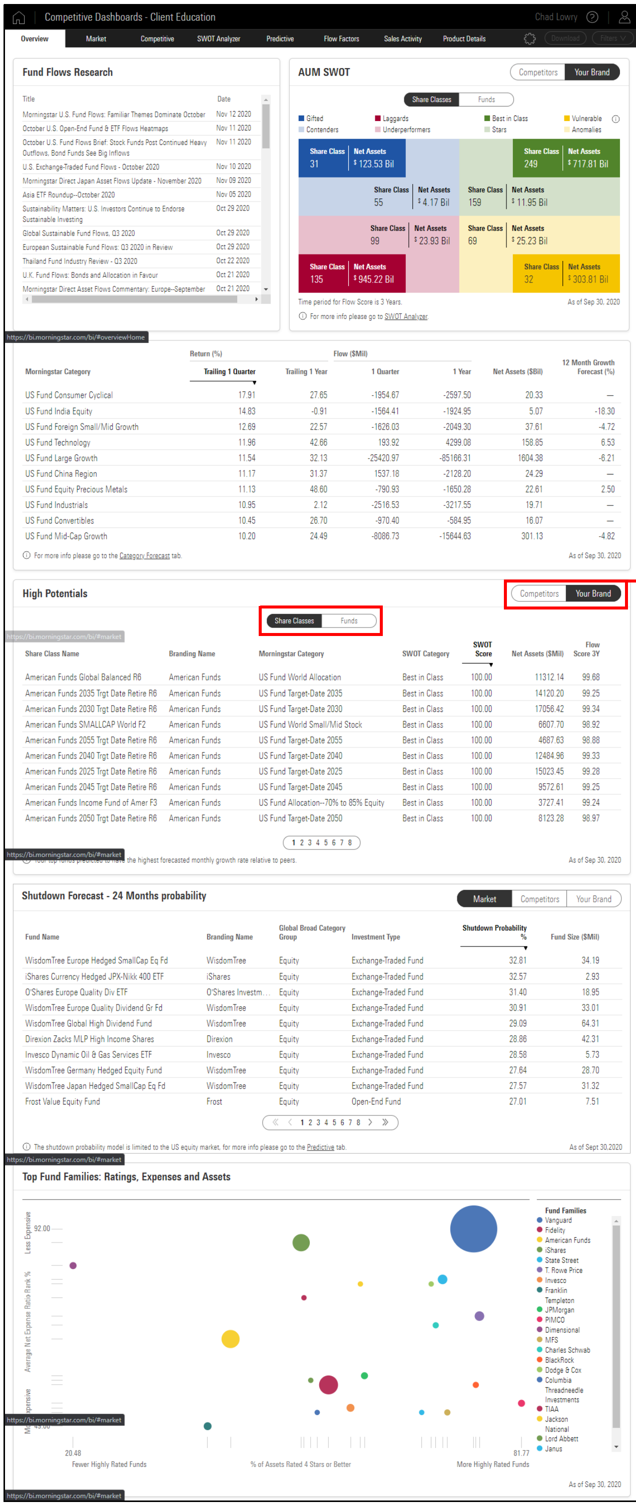
Note, too, that not all variables are shown by default in the Filter panel. Other variable options are available from the Filters menu on the header. New clients should spend time exploring these options to decide which selection of variables makes the best sense for their workflows.



Changes to the Settings icon and Filter panel persist from tab-to-tab during your current session. Once you refresh, log out, or close the browser, however, the Filter panel settings reset. The Settings icon choices remain in place. The variables chosen to appear in the Filter panel, though, can be saved so they do not need to be reselected upon subsequent uses of Asset Flow Forecasts.

What does the Overview tab show?

The Overview tab provides a series of widgets reflecting fund flow research from Morningstar and a summary of data from other tabs in Asset Flow Forecasts. The idea is to allows clients to scan this information, then decide which part of Asset Flow Forecasts to visit next to further investigate what is shown here. Think of it as a dashboard to the rest of Asset Flow Forecasts.



Some widgets on the Overview page are interactive and allow clients to change the information being displayed.

What does the Market tab show?

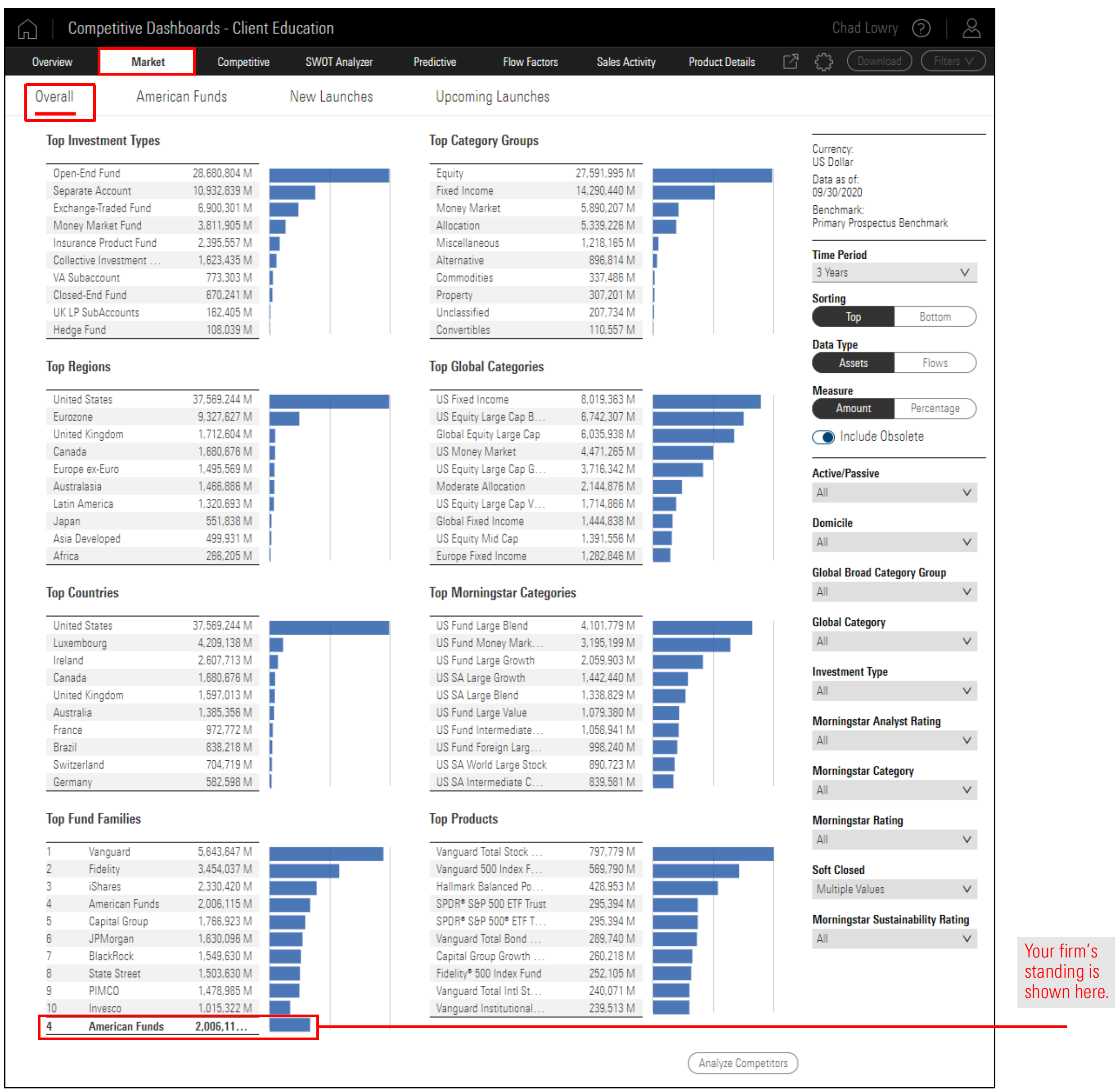
The Market tab shows information for fund assets, by amount, for the following data:

- the overall market
- your brand
- new fund launches, and
- upcoming fund launches.

Other than the page for your brand, the pages on this tab reflect data for all funds globally for the trailing three years; use the Filter panel to change these settings.

Additionally, when the Overall page is selected, the Export icon (to the right of the Settings icon) offers a choice of seeing data for All Fund Families, rather than just the top 10 items shown in each widget.

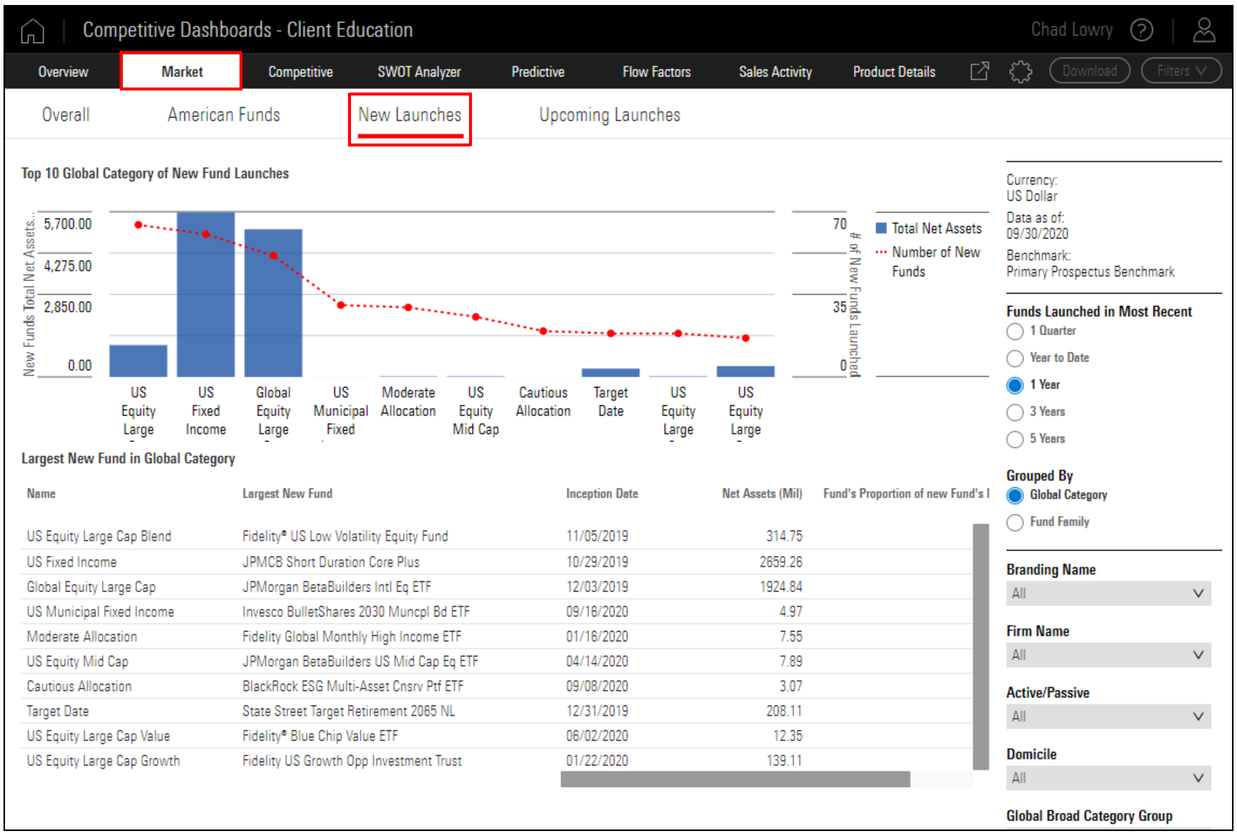
> ☞ Note: When looking at Overall market data, information for your brand is seen at the bottom of the Top Fund Families widget.



The New Launches page on the Market tab shows both the number of new funds launched for the top 10 global categories with the most number of product launches, and the assets those funds have attracted.

The table below the chart shows the top fund in each global category and the proportion of the new AUM within that global category that the most successful fund was able to attract.

> ☞ Note: The options in the Filter panel on this page differ slightly from those seen on other pages on this tab.



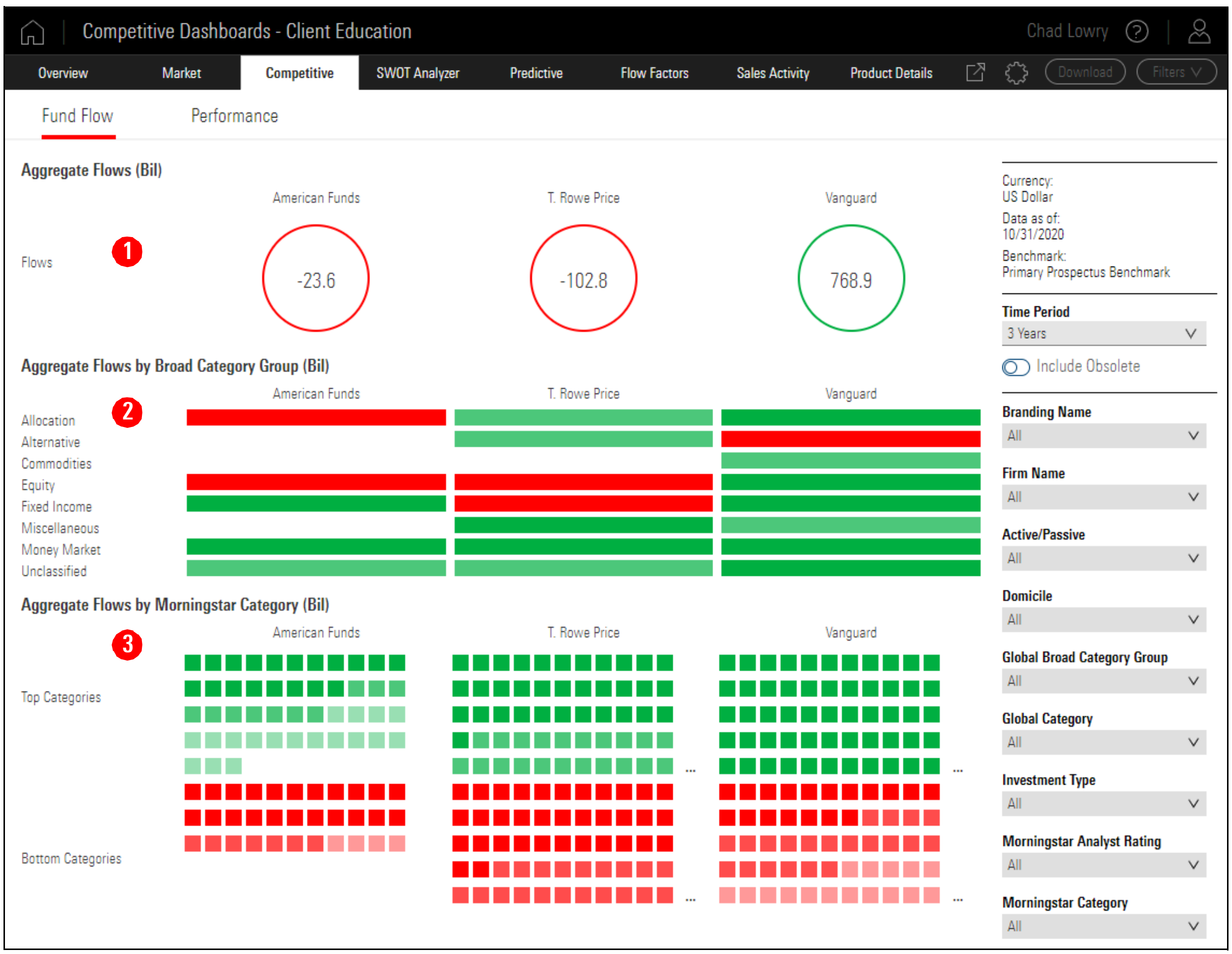
What does the Competitive tab show?

The Competitive tab allows clients to analyze both fund flows and performance of funds at your firm, compared to up to nine competitors. Both fund flow and performance data is provided at the following levels:

- brand
- broad category group, and
- Morningstar Category.

Use the controls at the right to not only change the time period being reflected in the data but also to filter by firm, brand, product type, share class, and more.

1 = Brand-level data
2 = Broad Category data
3 = Morningstar Category data

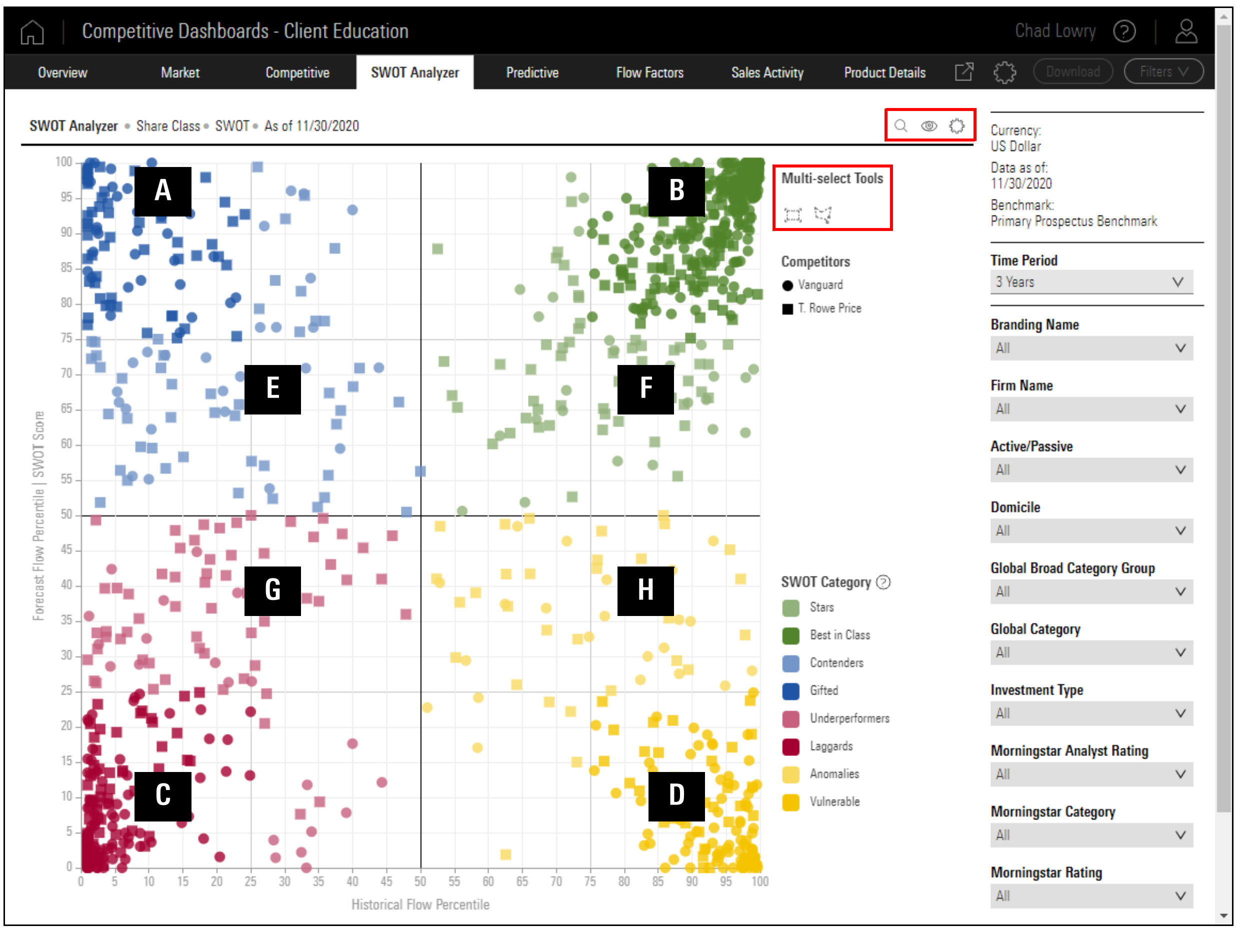


What does the SWOT Analyzer tab show?

The SWOT (Strengths, Weaknesses, Opportunities, Threats) chart plots funds from your brand and up to nine competitors. (Data is shown at the share-class level.) A fund's position on the chart is determined by both its flow data relative to category peers (the X axis) and another data point for the Y axis, as chosen by the options in the key to the right of the chart. The default data point for the Y axis is the SWOT score, which summarizes a fund's growth potential and importance at its firm. The following growth forecast factor data points can also be used for the Y axis:

- Excess Return
- Expense Ratio Equivalent
- Morningstar Rating
- Fund Age
- AUM

Each quadrant on the SWOT chart is divided into two sections. Funds appearing in the extreme sub-section of each quadrant are given a particular label.



The following table describes each quadrant and its sub-section:

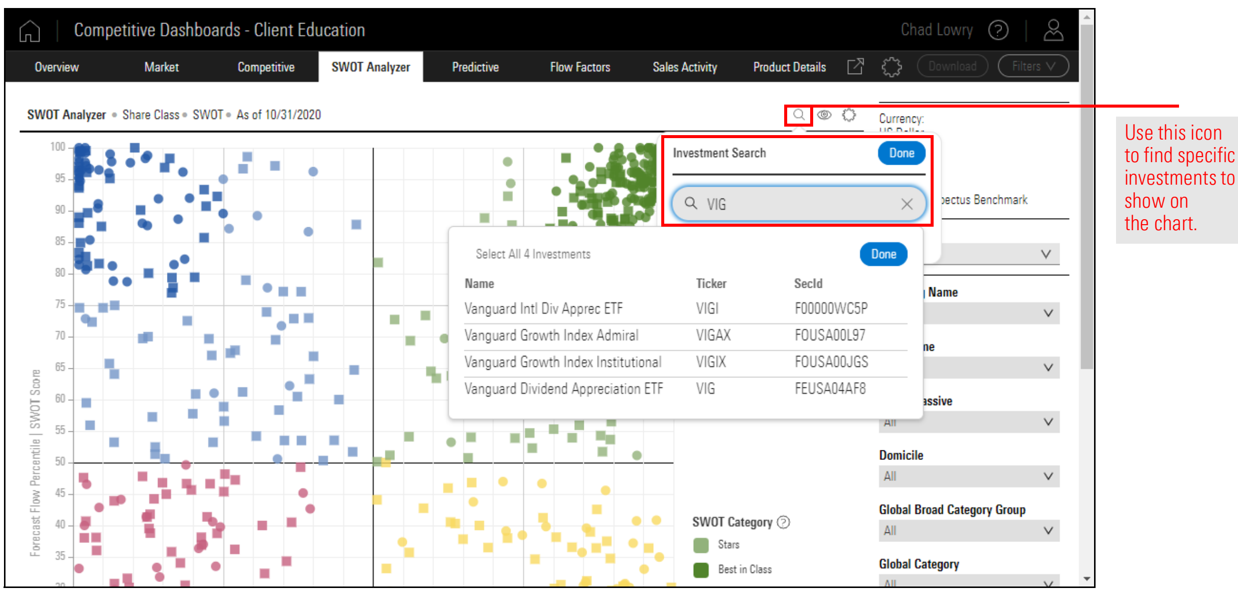
Section	Label	Flow Factor Attribute (Y Axis)	Realized Flows Relative to Category Peers (X Axis)
A	Gifted	Top quartile	Bottom quartile
B	Best in Class	Top quartile	Top quartile
C	Laggards	Bottom quartile	Bottom quartile

Section	Label	Flow Factor Attribute (Y Axis)	Realized Flows Relative to Category Peers (X Axis)
D	Vulnerable	Bottom quartile	Top quartile
E	Contenders	Above median	Below median
F	Stars	Above median	Above median
G	Underperformers	Below median	Below median
H	Anomalies	Below median	Above median

The next several sections detail unique functions clients can employ with the SWOT chart using either the selection tools to the right of the chart or the icons in the top right of the chart.

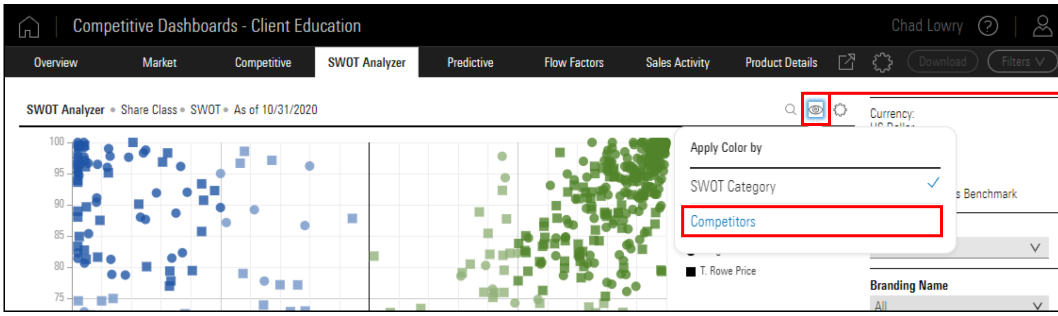
How can I find specific investments on the chart?

The magnifying glass icon on the component header allows clients to look for investments by name, ticker, or Morningstar Sec ID. Select each investment as you look for it, then click **Done** after selecting all investments to close the Search window.



How can I apply color by competitor, not SWOT Category?

By default, the colors on the SWOT chart refer to the SWOT Category to which each fund belongs. Clients can click the **View** icon on the component header to toggle this setting to instead apply a different color to each competitor whose funds are shown on the chart.

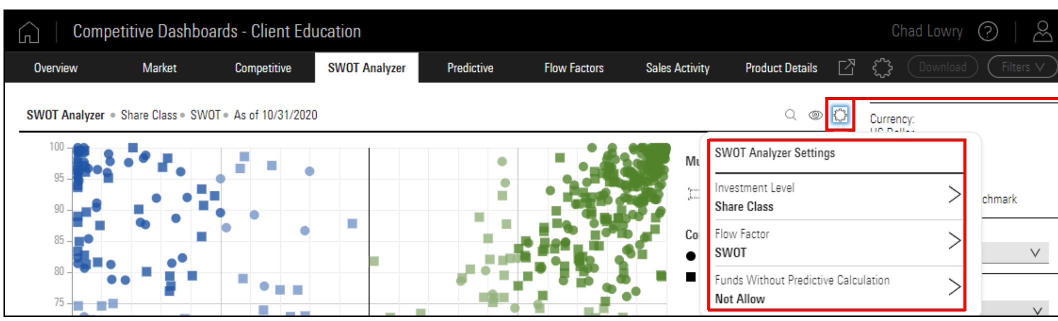


Use this icon to change how color is applied in the chart.

How can I use the Settings icon?

Certain controls previously positioned simply to the right of the chart are now available from the **Settings** icon on the component header. Use this icon to take the following actions on the chart:

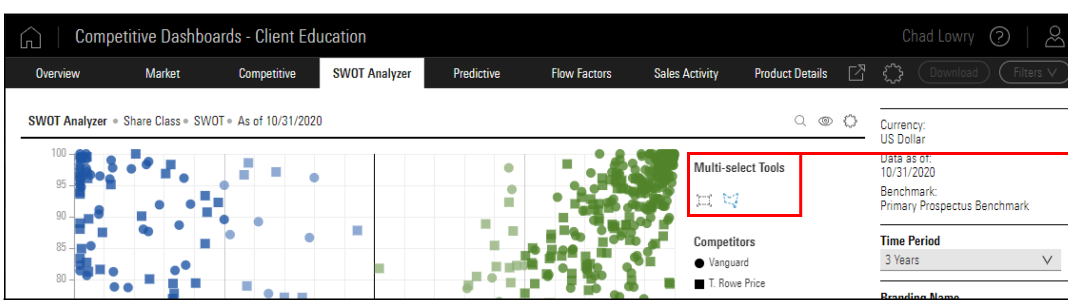
- Change the Share Class vs Fund level display setting
- Modify the Y axis data point, and
- Set the display setting for funds without a predictive flow forecast/SWOT score.



Use this icon to change a variety of settings for the chart.

How can I change the shape of the multi-select tool?

Use the mouse to click-and-drag in order to select multiple funds to be seen in the SWOT Score Data Table panel, clients can click one of two icons in the **Multi-select Tools** area to the right of the chart to help draw the selection area.

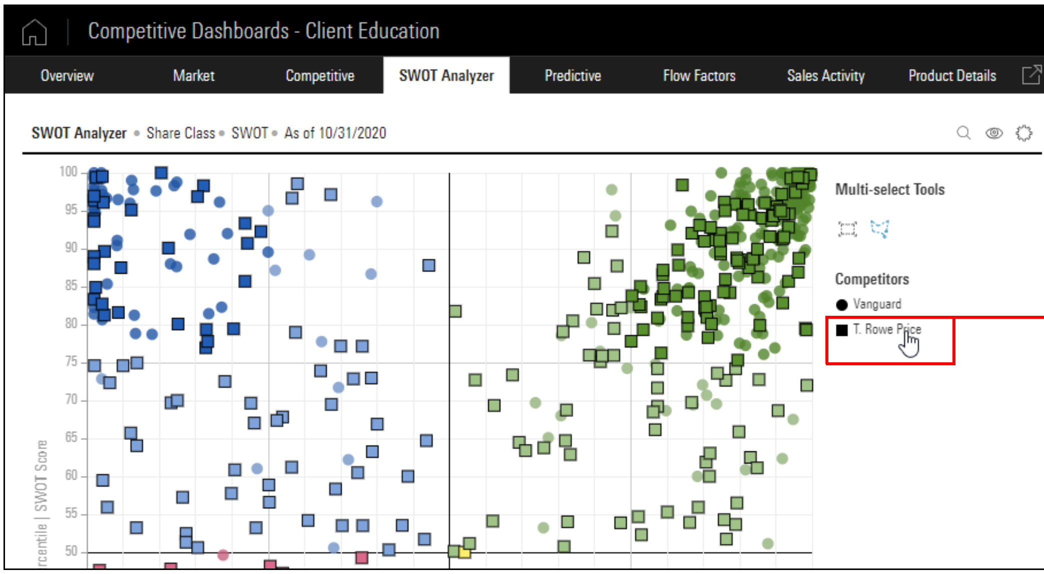


Use these icons to change the shape of the selection area you draw on the chart.

What are some additional interactive features offered with the SWOT chart?

The SWOT Analyzer tab offers a number of interactive features to make it easier to reduce the clutter and noise of a crowded chart. These include the following options:

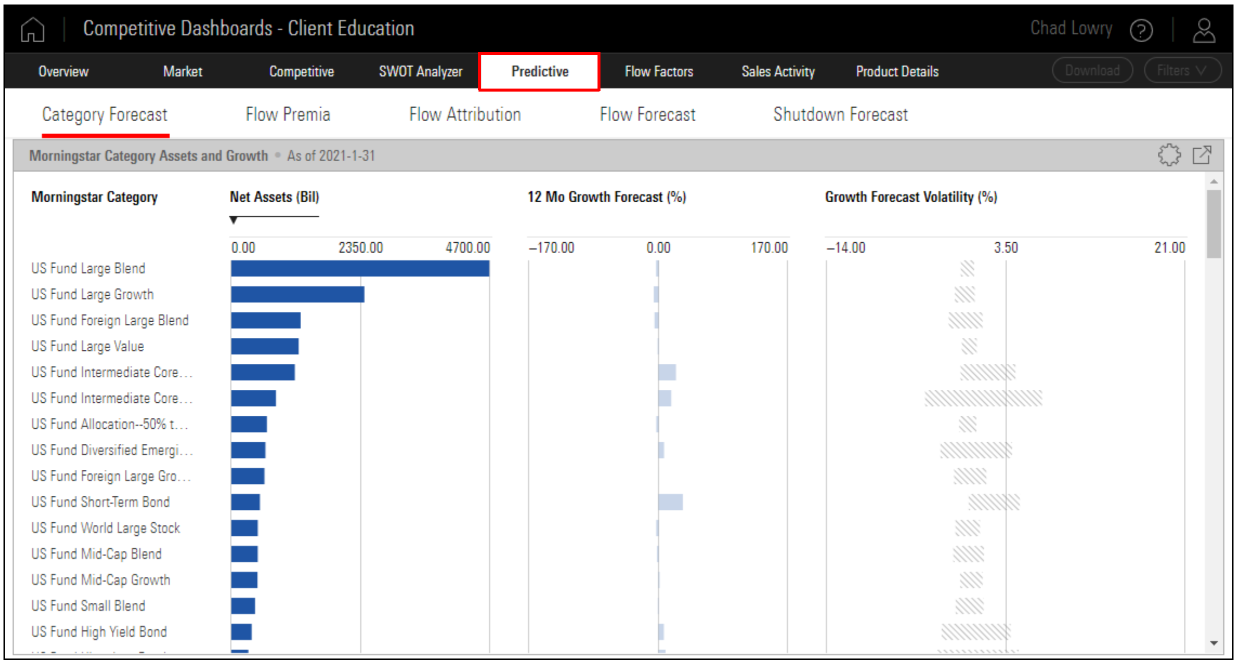
- Use the mouse scroll wheel to zoom in on a particular area of the chart
- Hover over a brand name in the legend (to the right of the chart) to instantly highlight funds from that firm, and
- Click a brand's name or SWOT category in the legend to filter out that data. (Click it again to restore it.)



Note the outline appearing around the funds for a brand when the cursor is hovered over its name.

What does the Predictive tab show?

The Predictive tab reflects information from the Morningstar Fund Flow Factor Risk Model. The following table describes the types of information clients find on the various pages of this tab:



This page…	Shows this type of information…
Category Forecast	Net assets by Global Broad Category, as well as how those assets are expected to grow or shrink over the next 12 months, and what volatility exists for that forecast. Use the Component Settings icon in the upper-right corner of the chart to change the settings and data being shown.
Flow Premia	The extent to which different factors in the Morningstar Fund Flow Risk Model reflect investors' choices in where to allocate their assets in the overall market. Did assets grow because investors were attracted to funds earning a five-star Morningstar Rating, or did they pull assets from funds due to their net expense ratio being too high? Use the Component Settings icon in the upper-right corner of the chart to change the settings and data being shown.
Flow Attribution	The extent to which each Fund Flow risk factor impacted fund flows for the selected share class of a fund. (As selected in the left-hand pane on the page.) The table shows a fund's exposure to each risk factor, and the premia associated with that risk factor over the default time period (Trailing 3 Years). A positive Factor Exposure value multiplied by a positive Factor Premia value yields a positive Factor Contribution value. Negative values for both exposure and premia also yield a positive Factor Contribution value. When either only the Factor Exposure or Factor Premia value is negative, then the Factor Contribution value is also negative. Toggle on the What-if Analysis button to see how modifying the value of any factor could change the Factor Contribution values, and have the biggest potential impact on fund flows.

This page…	**Shows this type of information…**
Flow Forecast	A one-year forecast for fund flows at both the fund level and share class level, based on exposure to the risk factors in the Flow Factor Model. At the top of the chart, clients can see whether the uncertainty of that forecast is Low, Medium, or High. A fund (or share class) with a Low uncertainty is expected to be more likely to experience that outcome for flows.
Shutdown Forecast	A prediction as to whether a fund domiciled in the United States is likely to be shuttered within the next two years. All share classes for open-end funds and ETFs are shown here, not just those for your firm. The categories for a fund's possible shutdown are Likely, Unlikely, and Wait and See. Use the Component Settings icon on the header to adjust the data being shown here.

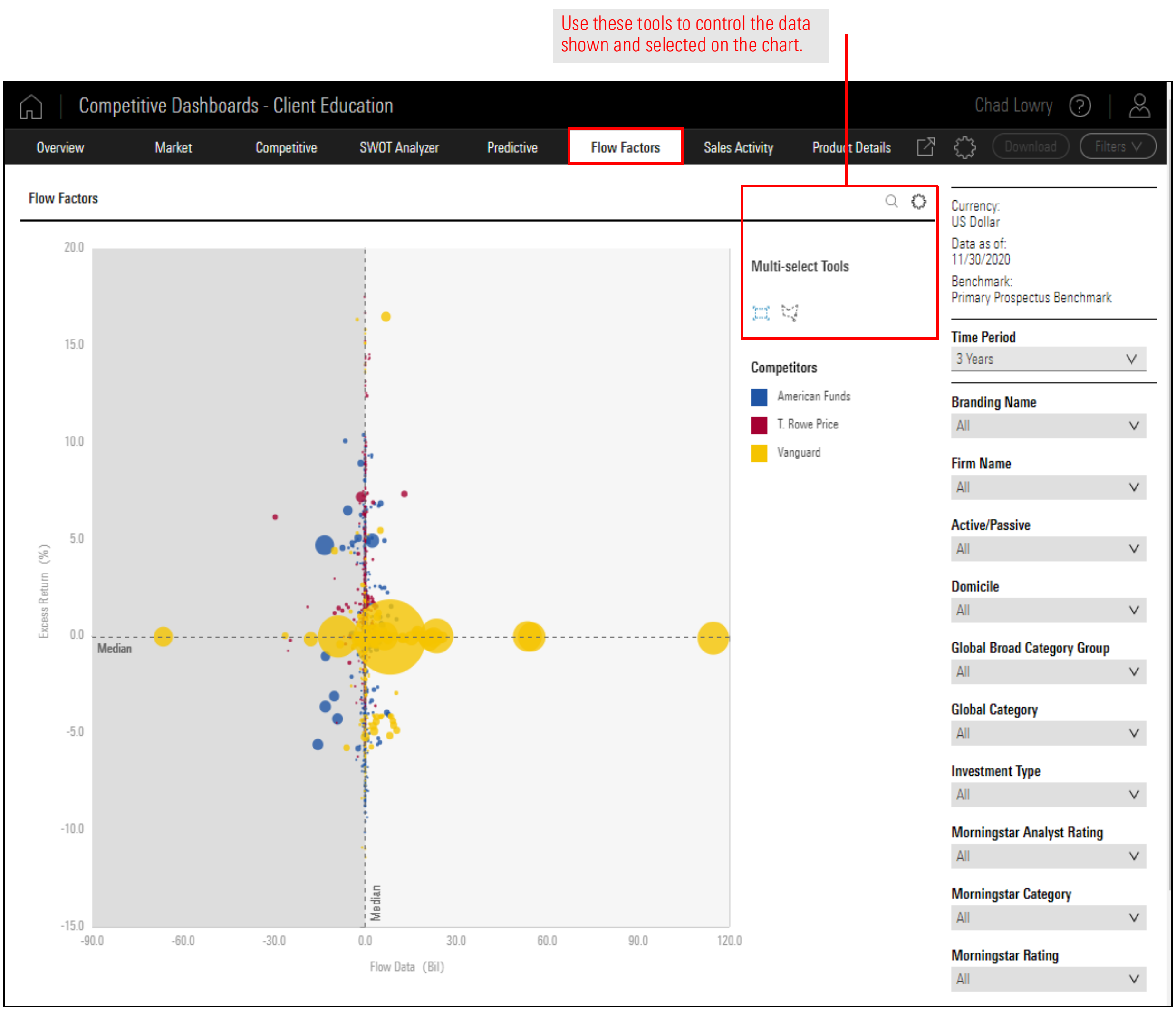
What does the Flow Factors tab show?

The Flow Factors tab plots funds from multiple firms onto an X-Y chart using two factors. The **Settings** icon is used to set the value for both the X axis and Y Axis, as shown in the following table:

X Axis Options	Y Axis Options
Flow (Bil)	Performance
Growth Rate (%)	Expense
	Rating

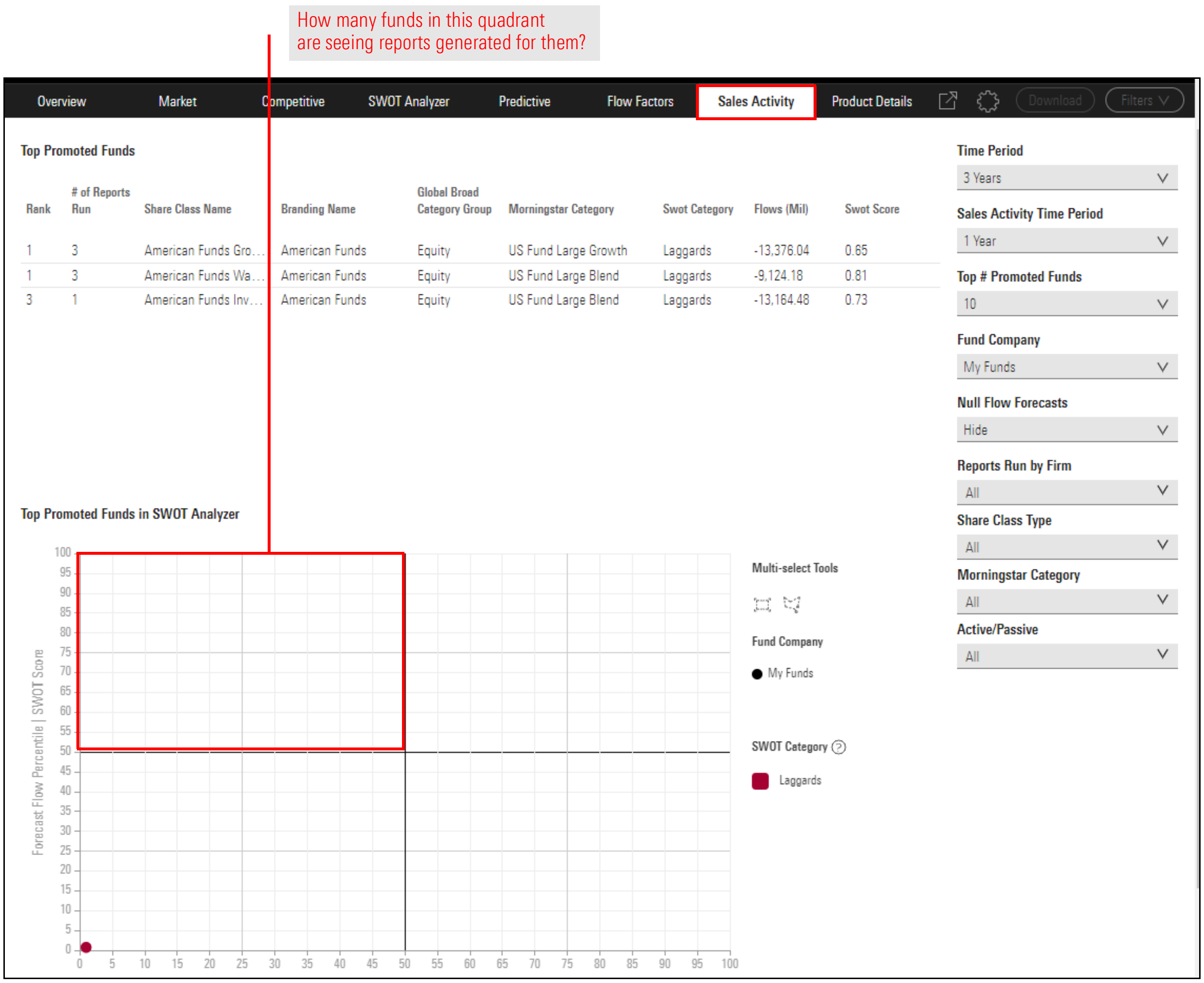
Similar to the SWOT chart, clients can use the mouse to click-and-drag in order to select multiple funds to be seen in the Flow Factor Data Table panel, The two icons in the **Multi-select Tools** area to the right of the chart help draw the selection area.

The size of each bubble on the chart indicates the relative size of the fund; the bigger the bubble, the larger the fund. The color identifies the firm.



What does the Sales Activity tab show?

Only clients licensing Report Portal from Morningstar will see the Sales Activity tab in Asset Flow Forecasts. This tab shows which funds at your firm are seeing the most reports generated in Report Portal. This can help you track marketing initiatives and campaigns, to ensure the Sales team is focusing on the investments most in need of attention. The SWOT chart provided here further aids in this analysis.

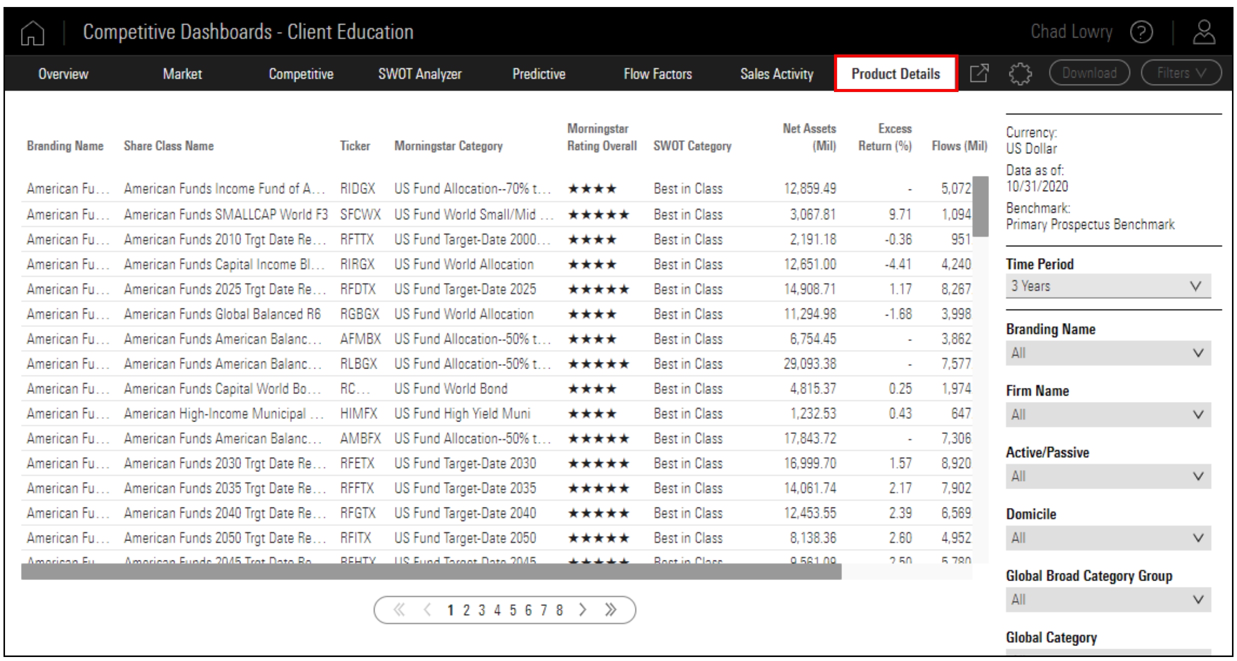


What does the Product Details tab show?

Think of the Product Details tab as the SWOT chart in table form. It shows the following information for each fund at all brands and firms selected:

- Branding Name
- Share Class Name
- Ticker
- Morningstar Category
- Morningstar Rating Overall (a combination of the 3-, 5-, and 10-Year ratings)
- SWOT Category (as seen on the SWOT Analyzer chart
- Net Assets (in millions of dollars)
- Excess Return
- Flows (in millions of dollars)
- Growth Rate, and
- SWOT Score.

The columns of data shown here cannot be changed, but use the Filter panel to determine which rows (funds) are shown.



Branding Name	Share Class Name	Ticker	Morningstar Category	Morningstar Rating Overall	SWOT Category	Net Assets (Mil)	Excess Return (%)	Flows (Mil)
American Fu…	American Funds Income Fund of A…	RIDGX	US Fund Allocation--70% t…	★★★★	Best in Class	12,859.49	-	5,072
American Fu…	American Funds SMALLCAP World F3	SFCWX	US Fund World Small/Mid …	★★★★★	Best in Class	3,067.81	9.71	1,094
American Fu…	American Funds 2010 Trgt Date Re…	RFTTX	US Fund Target-Date 2000…	★★★★	Best in Class	2,191.18	-0.36	951
American Fu…	American Funds Capital Income Bl…	RIRGX	US Fund World Allocation	★★★★	Best in Class	12,651.00	-4.41	4,240
American Fu…	American Funds 2025 Trgt Date Re…	RFDTX	US Fund Target-Date 2025	★★★★★	Best in Class	14,908.71	1.17	8,267
American Fu…	American Funds Global Balanced R6	RGBGX	US Fund World Allocation	★★★★	Best in Class	11,294.98	-1.68	3,998
American Fu…	American Funds American Balanc…	AFMBX	US Fund Allocation--50% t…	★★★★	Best in Class	6,754.45	-	3,862
American Fu…	American Funds American Balanc…	RLBGX	US Fund Allocation--50% t…	★★★★★	Best in Class	29,093.38	-	7,577
American Fu…	American Funds Capital World Bo…	RC…	US Fund World Bond	★★★★	Best in Class	4,815.37	0.25	1,974
American Fu…	American High-Income Municipal …	HIMFX	US Fund High Yield Muni	★★★★	Best in Class	1,232.53	0.43	647
American Fu…	American Funds American Balanc…	AMBFX	US Fund Allocation--50% t…	★★★★★	Best in Class	17,843.72	-	7,306
American Fu…	American Funds 2030 Trgt Date Re…	RFETX	US Fund Target-Date 2030	★★★★★	Best in Class	16,999.70	1.57	8,920
American Fu…	American Funds 2035 Trgt Date Re…	RFFTX	US Fund Target-Date 2035	★★★★★	Best in Class	14,061.74	2.17	7,902
American Fu…	American Funds 2040 Trgt Date Re…	RFGTX	US Fund Target-Date 2040	★★★★★	Best in Class	12,453.55	2.39	6,569
American Fu…	American Funds 2050 Trgt Date Re…	RFITX	US Fund Target-Date 2050	★★★★★	Best in Class	8,138.36	2.60	4,952