

Morningstar Essentials – Morningstar Medalist Rating™

Frequently Asked Questions

What will change in the Essentials portal with the new Morningstar Medalist Rating and what actions do clients need to take?

Essentials will make the below changes for the Medalist Rating:

- The Analyst Ratings tab will be replaced with a Medalist Ratings tab. The Medalist Ratings tab will contain the following data and report links:
 - Medalist Ratings Launch: Data Set – Essentials Portal
 - Fund Name
 - Medalist Rating
 - Rating Date
 - Analyst Name
 - Process Pillar
 - Process Pillar Date
 - People Pillar
 - People Pillar Date
 - Parent Pillar
 - Parent Pillar Date
 - Analyst Driven%
 - % Data Coverage
 - Managed Investment Report (PDF File Link)
 - Medalist Report (PDF File Link)
- The Resources Section of the Essentials Guidelines documents will be updated and made available in the Portal at launch on May 2, 2023. Below are the updated regional guidelines documents to reflect the combined Medalist Methodology and qualifying data points to be used in your materials, starting May 2nd, 2023, under the new unified rating. Please see the guidelines and disclosures you need to incorporate into your materials including the “Suggested Disclosures” for the Medalist Methodology. Additionally, you will see the two new qualifying data points you need to include anytime you display the rating.
 - [Essentials U.S. Guidelines](#)
 - [Essentials AUZ Guidelines](#)
 - [Essentials EMEA Guidelines](#)
- In the Artwork section, you will find rebranded Morningstar Medalist Rating and Morningstar Medalist - Pillar image files.
- The Analyst Ratings and Morningstar Quantitative Rating tabs will no longer be available.

Clients will need to take the below actions depending on how and where they are consuming the current Morningstar Analyst Rating or Morningstar Quantitative Rating:

- If you're currently showing Morningstar Analyst Rating or Morningstar Quantitative Rating in your content, you will need to update all your marketing channels to reflect the [attached Medalist rating imagery](#) (please note, the Medalist icon is the same visual as the current Analyst Rating).
- Additionally, anywhere you're referencing the Morningstar Analyst Rating or Morningstar Quantitative

Rating, it will need to be updated to the Morningstar Medalist Rating.

- See the [attached new Essentials schema](#) per region.
- If you use an API to access the Medalist data - please see the below details including new schemas and data points for Fund API Center and On Demand that clients can use to create a new feed or call an API.
- Fund API Center - [new schema](#) (subject to change) and [data points](#) to use for reference.
- On Demand - Clients can programmatically access the new files with the [attached new data points](#) by using the below URL to obtain a list of all available entitled fund data files. In the resulting xml, [screenshot attached](#), clients can search for the file they want to download and use the node URL to receive the direct link for the file they want.
- [https://edw.morningstar.com/GetWarehouseFileListXML.aspx?ClientId=\(ClientID\)&Type=&ProductionType=&RegionId=&StartDate=YYYY-MM-DD&EndDate= YYYY-MM-DD](https://edw.morningstar.com/GetWarehouseFileListXML.aspx?ClientId=(ClientID)&Type=&ProductionType=&RegionId=&StartDate=YYYY-MM-DD&EndDate= YYYY-MM-DD)
- If you import your data from the Essentials Portal – please review the [attached new Portal grid views](#) per region.

If my firm uses or distributes materials containing the Morningstar Analyst Ratings or Morningstar Quantitative Ratings today, will we be impacted by this change?

Yes, Morningstar will no longer be producing separate Morningstar Analyst Ratings and Morningstar Quantitative Ratings. Moving forward, Morningstar will have one forward-looking rating called Morningstar Medalist Rating.

Is this a change that will disrupt my current data and image processing?

Yes, clients need to act to prepare for this change. For example, wherever you may show the Morningstar Analyst Rating or Morningstar Quantitative Rating today, you need to replace these with the Morningstar Medalist Rating as of April month-end updates. This includes the Analyst Rating or Quantitative Rating data, as well as Pillar data point imagery and associated disclosures.

When will the change be live in the Essentials portal?

The change will go live in the Essentials portal the evening of May 1, 2023, prior to April month-end production.

Will my firm be required to make this change?

Yes, if your firm currently processes the Morningstar Analyst Rating and Morningstar Quantitative Rating. Morningstar will be retiring the Morningstar Analyst Rating and Morningstar Quantitative Rating and their associated data points as of May 2 and these data points should be replaced with Medalist Rating in any of your sales or marketing materials.

When will my firm need to be prepared to go live with these changes?

You will need to go live with changes when you publish materials updated for April month-end ratings.

Will there be changes to Qualifying Statements and Disclosures?

Yes, we are finalizing those and will make them available as soon as they are complete. They will also be made available ongoing through the portal in Essentials Guidelines document beginning May 2.

What if we consume the Essentials data from other sources (we also have Data Feeds and Direct), will the changes be made there, as well? If so, when?

Yes, this change is being made company-wide, across all Morningstar products simultaneously. If you consume Essentials data from other Morningstar products, the changes will live in those products on May 2, as well. Prior to that, data schemas will be made available.

Is there a date by which we need to update our marketing materials?

When this update goes live on May 2, the Medalist Rating officially supersedes the Analyst Rating and the Morningstar Quantitative Rating. After May 2, the appropriate way to refer to Morningstar's forward-looking ratings is "Morningstar Medalist Rating™." All firms leveraging the rating should plan to make changes to their materials in line with the May 2 launch.

Will you provide updated images for our materials?

The overall "Badge" (Gold, Silver, Bronze) image files will not change. The files will just be renamed in the portal. You will find Medalist images as well as Morningstar Medalist Pillar images for use if you decide to display a Pillar data point. Pillars could be qualitatively or quantitatively driven. Quant driven pillars require inclusion of a superscript Q on the data output,

Is there any new data that will be available with Medalist change?

Yes. In the Essentials portal, you will find three additional data points in the new Medalist Rating tab: Analyst Name, % Data Coverage, and Analyst-Driven Percentage (%). These data points have been added to help with disclosure requirements.

Will the share classes that currently have a Morningstar Analyst Rating or Morningstar Quantitative Rating be changing?

No, share classes currently rated with the Morningstar Analyst Rating or Morningstar Quantitative Rating will still receive a rating of Gold, Silver, and Bronze, Neutral, or Negative and their current rating will not change with the launch of the new Medalist Rating. Rating updates will still be produced on a regular schedule. But, by uniting the Morningstar Analyst Rating and the Morningstar Quantitative Rating into the Morningstar Medalist Rating, we expect the combined forward-looking rating to apply to over 400,000 share classes. Therefore, an opportunity exists for your firm to identify additional share classes with a rating that you want to promote.

Does my firm need to update any historical rating data in our sales or marketing materials?

No, we are not modifying historical Morningstar Analyst Ratings and the Morningstar Quantitative Ratings, so ratings previously shared on materials are still applicable.

How will my firm be able to discern to clients what is assigned by an analyst or what is quantitatively derived?

Currently, a Morningstar Quantitative Rating is denoted with a superscript Q on the overall rating. With the launch of the Medalist Rating, we will be removing the Q designation on any overall rating of a managed investment. For a pillar rating and/or analysis, a superscript Q will indicate if that assessment was not assigned by an analyst. Please see the example display below for the designations for the overall rating and pillars.

An example of how the Morningstar Medalist Ratings will present in a screener tool within Morningstar products. Investors will be able to easily see which pillars (People, Process, and Parent) derive from analysts and which are assigned quantitatively.

| Managed Investment Name | Morningstar Medalist Rating | Morningstar Medalist Rating - Parent Pillar | Morningstar Medalist Rating - Process Pillar | Morningstar Medalist Rating - People Pillar |
|-------------------------|-----------------------------|---|--|---|
| Sample Fund 1 | Gold | High | High ^Q | High ^Q |
| Sample Fund 2 | Negative | Low ^Q | Low ^Q | Below Average ^Q |
| Sample Fund 3 | Silver | Above Average | Above Average | Above Average |
| Sample Fund 4 | Bronze | Above Average | Average | Above Average |
| Sample Fund 5 | Neutral | Average | Average | Average ^Q |

Whenever possible, we map over analyst decisions to extend the power of our analyst ratings. This is true in the methodology today, and will continue with the launch of Medalist Ratings.

Currently, we are mapping at least one pillar for roughly 75% of the Morningstar Quantitative Ratings, but in the current product view, you cannot see this mapping, or inheritance, in the pillar ratings and/or assessments. With the release of Medalist Ratings, the pillars will continue to inherit an analyst's assessment, and investors and clients will now be able to see the superscript Q on the pillars that were not inherited from an analyst.

Additionally, to provide transparency into the data coverage for the model, we will introduce the data points shown in the following table; these can be added to sales or marketing materials to provide further clarification to clients:

| This new data point... | Displays the percentage of... |
|------------------------|--|
| Analyst Driven %: | Analyst input into the overall rating assignment, including direct analyst coverage and inheritance of an analyst-rated pillar |
| % Data Coverage: | Available input data for rating calculation at the Pillar level |

