

## Due Diligence Information



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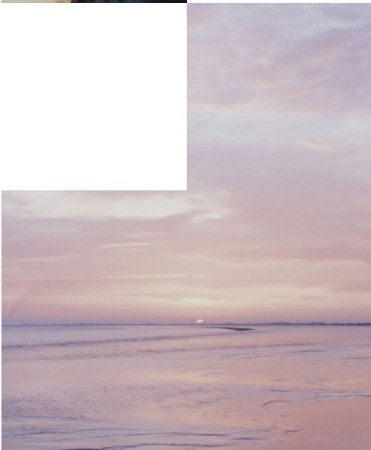
# Empowering investor success

It's on all of us to empower investor success and we believe financial advice is the key to doing just that. Over 255,000 financial advisers chose to work with Morningstar Wealth around the world. Morningstar Wealth brings together capabilities from across Morningstar's business, to meet the specific needs of financial advisers, their businesses and clients.

## About Morningstar Wealth

Morningstar Wealth is made up of a group of entities under a single brand, The key entities that provide the services of the Morningstar Wealth Platform are:

- Morningstar Wealth Administration Limited (WAL) Firm Reference Number (FRN): 463566 – provider of the UK Investment Platform and ISA Plan Manager.
- Morningstar Wealth Retirement Services Limited (WRSL) FRN: 462660 (SIPP operator)



# Morningstar Wealth Platform

Morningstar Wealth Platform takes care of the heavy lifting of administering investments on behalf of your clients. Our award winning service means you can focus on providing great service to your clients. Through robust and continuous discovery loops with advisers we're always learning. And because we own our own technology we can adapt as the advice landscape and your needs evolve. We want you to be impressed with how easy everything is to use and how it can be tailored to your unique business – from paperless forms, bespoke investment propositions, to user-by-user customisable dashboards and views. We know how hard it is to get your brand out there so we can customise the entire platform for you. So all your clients see is you and your brand and your investment proposition.

Company name	Morningstar Wealth Administration Limited
Address	1 Oliver's Yard, 55–71 City Road, London, EC1Y 1HQ
Telephone	+44 (0) 808 178 5125
Email	advisersupport.MWP@morningstar.com
Website	<a href="#">Morningstar Wealth Platform</a>
Ultimate parent entity	Morningstar Inc
Regulatory approval	FCA number 463566
Directors and officers	
Morningstar Wealth Administration Limited Board	Mark Sanderson – Managing Director, UK & International – Morningstar Wealth Ben Lester – Head of UK Wealth Distribution – Morningstar Wealth Chris Devito (Non-executive director)

## Morningstar Inc company background

On May 16, 1984, Joe Mansueto founded Morningstar in his Chicago apartment. Today, the Morningstar group is a multi-billion-dollar company with more than 12,000 plus employees around the world. For nearly 40 years Morningstar has worked tirelessly to empower investors to make confident investment decisions and achieve the success they deserve. We've done all of this with a steadfast investment philosophy and independent view that's unshakeable.

Morningstar UK opened in London in 2000 and launched its investment research website in 2001. The website offers access to objective information on more than 50,000 funds available to individual investors in the UK. The site also offers independent editorial content produced by Morningstar research analysts and journalists based in London and around the world. In 2006, Morningstar set up a separate entity in the UK dedicated to providing regulated activities and obtained regulatory permissions to provide services to professional clients.

In 2008 Morningstar completed the acquisition of Ibbotson Associates, a privately held firm that specialised in asset-allocation services.

2010 saw Morningstar acquire London-based Old Broad Street Research Ltd., a premier provider of fund research ratings and investment consulting in the United Kingdom.

In January 2011, Morningstar, Inc. created the Morningstar Investment Management group, designed to provide integrated investment management services, research, consulting and advisory services. The group includes registered entities worldwide. In the UK, it is represented by Morningstar Investment Management Europe Limited.

2013 Morningstar Investment Management Europe Ltd launched its first Managed Portfolio Service range on one platform. This has now grown to be one of the most widely available propositions with 7 distinct ranges that can cater for a wide variety of clients needs and objectives. It is a multi-award winning in both its portfolios, investment proposition as well as service.

In 2020 Morningstar, completed the purchase of Sustainalytics and Finametrika. Sustainalytics is a global leader in ESG and Corporate Governance research and ratings. Finametrika (PlanPlus Global) has clients in over 35 countries and provides three planning tools for advisers; the world's most academically validated risk profiling process, a multi-award-winning financial planning system and a regulatory robust investment tracking tool that ensures investors remain suitably invested over time.

2022 saw Morningstar acquire Praemium's international business including the regulated entities within investment management, platform and retirement services, further extended its product and service offerings to clients, leading to the formation of the Morningstar Wealth brand. [Read more about Morningstar Group.](#)

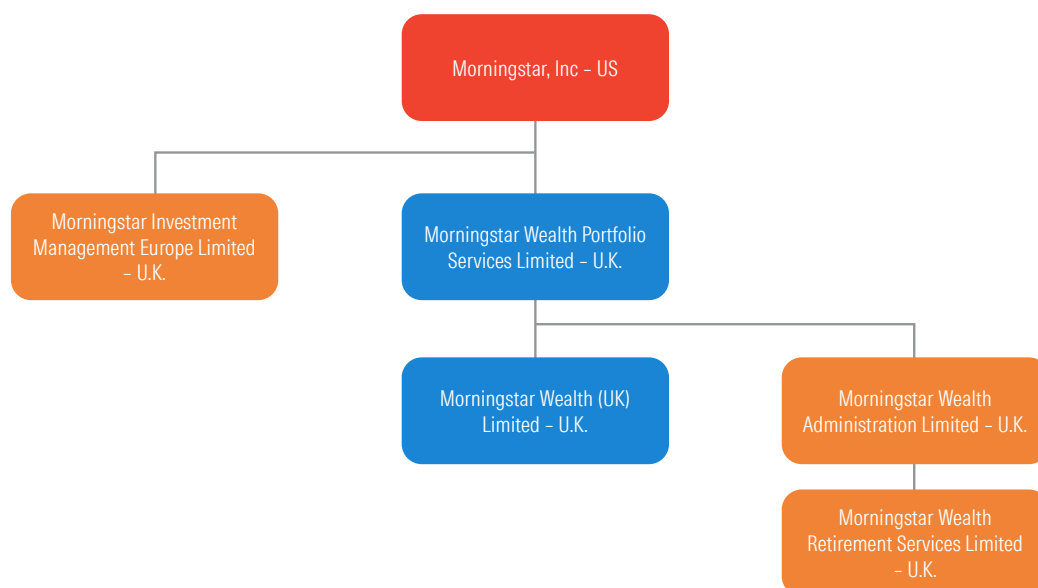


## Ownership structure

Morningstar, Inc. is a publicly quoted company (NASDAQ: MORN) and the ultimate parent company of Morningstar Wealth Limited. Founder Joe Mansueto is the majority shareholder of the company, and the remainder is held by staff, institutions, and private investors.

Morningstar is a truly global company with over 12k employees who work with individuals, financial advisers, and fund managers in 29 countries around the world and has over \$265 billion in assets under management.

Morningstar, Inc. provides extensive support, including corporate accounting, financing, human resourcing, risk and compliance, marketing services, and information technology support.



## Financial information

### A strong and sustainable business

Morningstar, Inc. is a publicly-traded company on the NASDAQ. Below is the last three years' revenue, operating income and free cash flow.

\$m	2023	2022	2021
Revenue	2,038.6	1,870.6	1,699.3
Operating income	230.6	167.8	257.0
Free cash flow	197.3	168.3	348.1

Further financial information on Morningstar Inc can be found in our latest annual reports by [clicking here](#).

### Wealth Platform AUA for the last 5 years

Year	AUA (£)
30th June 2024	4,699.0 m
30th June 2023	3,771.1m
30th June 2022	3,127.2m
30th June 2021	2,718.3m
30th June 2020	1,802.1m

As at 30 June 2024

## Who we partner with

We partner with financial advice firms who want a consistent approach to asset management across their business, who run their own model portfolios, outsource to third-party discretionary managers, or with firms who have their own discretionary permissions. We also partner with discretionary fund managers (DFMs), trust companies, private banks and prestigious financial institutions.

We are very clear on the type of service we offer so you can assess whether we're the right fit for all your business or a particular segment of it. During implementation we work with you to tailor the service, taking into account your client base, your selected DFMs, and the available asset types (both active and passive).

Currently these types of investors can invest via the platform:

- Individual and joint accounts
- Corporate clients
- Charities
- Trusts

## Key factors

Tried and tested technology, investing in continued improvement

- **We own our technology.** This enables us to adapt and evolve with the industry and the advisers we serve.
- **Through continuous discovery, we listen to advisers.** We spend thousands of hours each year in customer discovery to deeply understand our customers workflows, pain points and opportunities.
- **We invest in developing the tech, product and service proposition.** Delivering a change is only part of the equation, continually measuring the impacts of those changes, hand in hand with our users helps us ensure we're solving the right problems in the right way.

## Specifically built for advisers who leverage managed portfolios

- **Discretionary specialist** – Purpose built for the discretionary client and manage
- **Proprietary tech** – In-house technology means we can be responsive to our clients requirements
- **White-labelled** – Ability to white-label EVERYTHING, your brand is all your clients see
- **Portals** – Market leading portals that work on any device
- **Paperless** – Built-in digital acceptance, paper free application process
- **Cost-effectiveness** – Delivering value for money

## Independence

- **Control** – You retain control of the relationship with your clients; the DFM does not meet the client or have access to their data. You select the DFM you wish to work with and negotiate their fee (sometimes you will be able to get a better DFM fee through us). You agree the investment
- **Freedom** – Our technology means that models float with the market, which means there is no need to rebalance to bring investors back in line with their models. Trades are only initiated when money is moved in or out of an account, or when a DFM changes a model, ensuring that there are no unnecessary trading costs and your clients' investments are always in line with the DFM's latest thinking.
- **Flexibility** – The portfolio manager has access to a wide range of assets (institutional and retail funds, equities, ETFs, etc.), giving them the flexibility to create tailored, risk-graded portfolios suited to the needs of your clients and helping to you create a robust, scalable, repeatable and consistent business process.

## Corporate governance

The corporate governance arrangements for the UK platform are made up of the following Boards and Committees:

Board	Purpose
<b>UK Board</b>	<p>Responsible for the smooth operation of the UK group and subsidiaries. The Board applies corporate governance, direction, oversight and guidance to ensure that there are strong systems, risk and control management frameworks, operational and financial resilience and a progressive culture focused on positive consumer outcomes and staff conduct.</p> <p>The Board has appointed a Non-Executive Director to provide independent challenge, demonstrating a commitment to good culture and governance, and is supported by the following committees.</p>
Committees	Purpose and remit
<b>Senior Management Team</b>	<p>Responsible for day-to-day operations delivered in alignment with the Group strategy and vision. The committee monitors business performance against agreed targets through accurate standardised reporting, challenging the business to deliver its strategy in accordance with the Group's culture, standards and policies.</p> <p>The committee will ensure that operational and business risks are being properly identified, assessed, managed, mitigated and reported, meeting the requirements for Treating Customer Duty, Conduct Risk and all other regulatory requirements</p>
<b>Consumer Product Committee</b>	The Consumer Product Committee ensures that Morningstar Wealth's products and services are aligned to regulatory, legislative, commercial and strategic priorities. Overseeing the ongoing monitoring and developments of products, and the introduction of new products and services. Ensuring appropriate updates are provided to the relevant Boards in relation to these activities.
<b>Risk Committee</b>	Ensures that the business areas supporting UK regulated group entities have identified their key risks and are appropriately managing and reporting to the relevant Company Boards.
<b>Adviser Relationship Oversight Committee</b>	Provides independent oversight of new and existing adviser relationships to ensure good governance and appropriate oversight of distribution channels.
<b>CASS Committee</b>	A monthly committee attended by the CASS Oversight Officer, Head of CASS, and Key Personnel from the business to provide governance and oversight of the CASS Framework.

### Morningstar wealth operates and established industry three lines of defence model

The core business is the first line, responsible for the day to day running of the business, ensuring the business is ran in way that aligned with regulatory obligations.

Second line provide compliance functions:

- Provide advisory guidance to the business, which will help it prepare for key regulatory developments that will have an impact on the business;
- Give support to the business in considering the risk and regulatory implications of key strategic initiatives;
- Independently assess the quality of compliance with key regulatory requirements and to provide recommendations for best practice; and
- Effectively manage the relationship with our regulators, via regulatory submissions, liaison and bespoke information requests.

Compliance monitoring is an important element of the compliance function's work providing quality assurance testing on the regulated activities of the business. Its aim is to provide independent assurance by objectively reviewing and reporting on the adequacy and effectiveness of compliance controls used to deliver fair customer outcomes and assurance to the Board.

Third line of defiance – Group Internal Audit provides management with additional independent Assurance the business process and procedures are being following as agreed and the design remains fit for purpose.

## Target market

Morningstar Wealth conducts an annual review of its Target Market assessment in line with the requirements under Consumer Duty set out by the industry regulator, the Financial Conduct Authority. [Results of our annual Target Market assessment can be found here.](#)

## Value for money

Morningstar Wealth conducts an annual review of its Value for money assessment in line with the requirements under Consumer Duty set out by industry regulator, the Financial Conduct Authority. [Results of our Value for money can be found here.](#)

## Complaints procedure

Morningstar Wealth Platform is committed to dealing and resolving complaints quickly and fairly and ensuring that we learn from any complaints that are raised, either upheld or not upheld. [Our Guide to Making a Complaint can be found here.](#)

## Best execution policy

[Our Best Execution Policy can be found here.](#)

## MIFIDPRU 8 Disclosure

Our [MIFIDPRU 8 Disclosure document can be found here.](#)

# Business continuity, security and disaster recovery

## Security

We have a security policy that is aligned to the ISO27001 information security management standard. All our data is stored in servers located in tier 4 which is the highest tier data centres. Access to these data centres is strictly controlled.

## Disaster recovery

We have comprehensive Disaster Recovery & Business Continuity Plans (BCP) in place. The objectives of the BCP are:

- To design and implement a set of agreed procedures for responding to the disaster – the Disaster Recovery Plan;
- To make preparations that enables Morningstar Wealth Platform to recover as quickly as possible when a disaster occurs; and
- To ensure the continuance of operations and services during a disaster and its recovery to full operating systems.

The purpose of this procedure is to minimise the effects of a disaster on our operations, our partner firms and their clients.

The BCP comprises of four disciplines:

- **Emergency response** – This ensures the immediate safety of all staff and visitors at Morningstar Wealth Platform sites following a major incident that requires the evacuation of all personnel to safe assembly points, and in the event of an IT failure, that a structured process is followed to return to service as quickly as possible.
- **Crisis management** – The intervention and co-ordination by individuals or teams before, during and after an event to solve the crisis, minimise loss and otherwise protect Morningstar Wealth Platform.
- **Disaster recovery** – A co-ordinated and comprehensive response to any situation that denies vital systems to the users of those systems. A plan is devised to achieve recovery of those systems to the point of user availability and data integrity within acceptable timeframes.
- **Business continuity** – A comprehensive, managed effort to prioritise key business processes, identify significant threats to normal operations and plan mitigation strategies to ensure effective and efficient organisational response to challenges that present during and after an incident.

Morningstar Wealth Platform has in place procedures and checks to ensure that we are prepared for any type of disaster. We also have essential contact details up to date and stored in sufficient formats to ensure that all people and organisations can be contacted to effect a backup service in the event of a disaster.

## CASS requirements

Morningstar Wealth Platform is structured as a Platform Services Provider and have regulatory permissions to hold client money and the safeguarding and administration of assets.

Principle 10 of the FCA's Principles for Business (PRIN) requires a firm to provide adequate protection for the client money and assets for which they are responsible, which means complying with the detailed rules and guidance set out in the FCA's Client Assets Sourcebook (CASS) within the FCA Handbook.

Morningstar Wealth Platform operates to CASS regulations 6, custody rules, 7 client money rules, 8 (mandates), 9 (information to clients), and 10 (CASS resolution pack). These rules are predicated on the segregation of assets and to ensure assets are returned to the client in the event of insolvency and where a pooling event occurs. CASS helps ensure the safety of client money and assets if a firm fails and leaves the market. There must be robust record keeping, segregation of custody assets, segregation of client money in client bank accounts held in statutory trust with acknowledgment letters in FCA prescribed format, as well as prudent segregation requirements, and rules for daily internal and external reconciliations that covers all client money and custody asset shortfalls.

The firm has appointed a CASS Oversight Officer (Senior Management Function) and has a monthly CASS Committee in place to have oversight and governance of the CASS Framework. The CASS Oversight Officer is a member of the board, and a quarterly report is presented to all board members.

## Charges

Our costs and charges are clear and transparent with no hidden extras. We ensure that investors fully understand the costs of their investment and any future costs that they may incur. We do not charge for:

- Re-registration
- Leaving the platform
- Switching or rebalancing managed funds

Our tiered charging structure is based on the level of assets at account (wrapper level). The effective charge reduces as the assets within the account (wrapper) grow and any new money added charged at the cheapest rate.

## Fee schedule

### Standard Platform pricing

Custody and Administration ongoing charges account wrapper (per annum, charged monthly in arrears).

Wrapper level tiering		
Up to	£250k	0.25%
Between	£250k - £500k	0.2% - 0.020%
	£500k - £1m	0.15%
	£1m - £2m	0.10%
	£2m - £5m	0.05%
Over	£5m	0.02%

Maximum transaction charge per trade	
Managed fund	£0.00
Equities /Bonds/ETFs	£2.90

There is no charge for a cash transfer out other than bank charges.

Morningstar SIPP fees	
£125+ VAT per annum	
Annual drawdown charge Annually in arrears £125 + VAT	

# Range of Investments

## Asset choice

Morningstar Wealth Platform offers access to a wide choice of asset types including:

- Unit trusts/OEICs and offshore funds
- Equities including direct shares, ETFs and investment trusts
- Fixed income (Gilts and Bonds)
- Fixed-term deposits and instant access
- Cash

## Fund criteria

Thousands of UK and offshore funds are available to discretionary managers. We review each request against various criteria. Funds are more likely to be approved if they:

- Are daily traded and priced.
- Are authorised, regulated or recognised by the FCA.
- Make MiFID II costs and charges data readily available through our data provider.
- Do not have an initial charge (or where there is one this is as low as possible).
- Do not have an exit charge (these will not be supported under any circumstances).
- Are liquid and not suspended or due to be wound up.
- Are over £20m in value at the sub-fund level (not share class level).
- If in a currency other than GBP, that the fund house or transfer agent can do the foreign exchange.

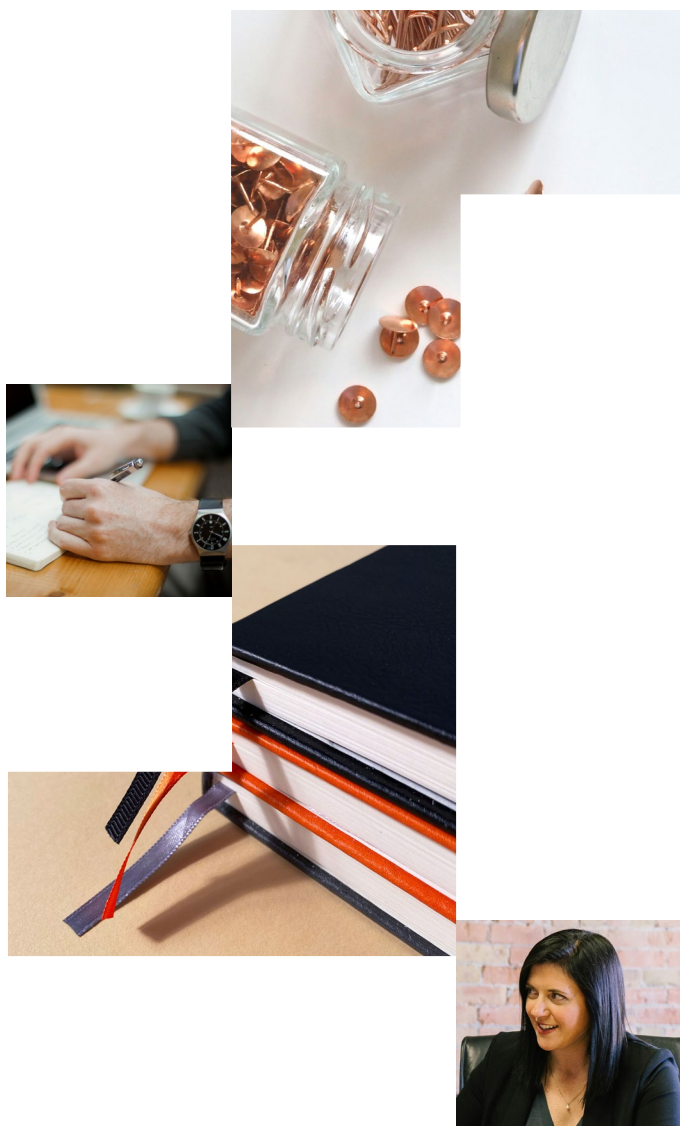
## Equity criteria

We enable access to UK and international equities, investment trusts and ETFs for selection by discretionary managers. We review each request against various criteria; equities are more likely to be approved if they are:

- On exchanges such as FTSE/CAC/DAX/NASDAQ.
- On exchanges which are HMRC recognised.
- Liquid and traded regularly.

## Fixed-term deposits and instant access cash

In addition to standard platform cash capabilities there is the option to hold fixed-term deposits and instant access cash accounts from our banking partners.



## Discretionary managers available on the platform

Morningstar Wealth Platform has a broad range of model portfolios, catering for all risk profiles and available through a wide selection of investment managers. Investment managers on the Morningstar Wealth Platform are able to include direct equities, listed securities, managed funds, cash and bonds when constructing/managing their portfolios.

Below is an example of discretionary managers that have a range of models available on the platform. Please contact us for the full list.

- 7IM
- AJ Bell Asset Management Ltd
- Apollo Multi Asset Management LLP
- Aspen Advisers Ltd
- Bordier & Cie (UK) plc (formerly Berry Asset Management plc)
- Brewin Dolphin Ltd
- Brooks Macdonald Asset Management Ltd
- Blackfinch Investments Ltd
- Canaccord Genuity Asset Management Ltd
- Collidr Asset Management Ltd (formerly Purple Strategic Capital Ltd)
- Corrival Capital Management
- EBI Portfolios Ltd
- EQ Investors Ltd
- Evelyn Partners Investment Management Services Ltd
- FE fundinfo
- Hawksmoor Investment Management Ltd
- HSBC Global Asset Management (UK) Ltd
- Investec Wealth & Investment Ltd
- King & Shaxson Asset Management Ltd
- Leodis Wealth Ltd
- LGT Wealth Management UK LLP
- Liontrust Investment Partners LLP
- Marlborough Investment Management Ltd
- Momentum Global Investment Management Ltd
- Morningstar Investment Management Europe Ltd
- One Four Nine Portfolio Management Ltd
- PortfolioMetrix Asset Management Ltd
- Progeny Asset Management Ltd
- Quilter Cheviot Ltd
- Quilter Investment Platform Ltd
- Schroder Investment Management Ltd
- Smart Investment Management Ltd
- Sparrows Capital Ltd
- Square Mile Investment Services Ltd
- TAM Asset Management Ltd
- Tatton Investment Management Ltd
- Tavistock Asset Management Ltd
- The On-Line Partnership Ltd
- Tyndall Investment Management
- Waverton Investment Management Ltd
- Whitman Asset Management Ltd
- Hymans Robertson Investment Services Ltd
- Rathbones Investment Management Ltd
- Saltus Partners LLP

We are happy to introduce you to them to find out more about their available solutions.

## Range of tax wrappers

Product	Provider
<b>GIA</b>	Morningstar Wealth Administration Limited
<b>Stocks &amp; Shares ISA &amp; JISA</b>	Morningstar Wealth Administration Limited
<b>Platform SIPP</b>	Morningstar Wealth Retirement Services Limited
<b>SIPP</b>	Multiple – see below
<b>Offshore Bond</b>	Multiple – see below
<b>SSAS</b>	Multiple – see below
<b>Onshore Bond</b>	Countrywide Assured Ltd

## Product providers available on the platform

We have a range of third-party providers, providing you with flexibility when it comes to investment choice. This list changes from time to time, so; please contact us for the current list.

- SIPP Ebor Trustees Limited
- Morningstar Wealth Retirement Services Limited
- Hornbuckle Mitchell
- Options Pension Scheme
- Intelligent Money Ltd
- Pointon York
- EBS Pensions Limited
- Tenon Pension Trustees Limited
- Curtis Banks Limited
- A.J Bell Management Limited
- IPM SIPP Administration
- Talbot & Muir
- James Hay
- Guardian Pension Trustees
- Suffolk Life Trustees Limited
- Sipp Deal Trustees Ltd
- Yorsipp (Trustees) Ltd
- Organon SIPP Services Limited
- Westerby Trustee Services Limited
- DP Pensions
- Denton & Co Trustees
- W M Pension Trustee Services Ltd (WMPTSL)

- @Sipp Limited
- Alltrust Services Limited
- Sippchoice
- InvestAcc Pension Administration Limited
- Liverpool Victoria Friendly Society

### SSAS

- Westerby Trustee Services Limited
- DCD Trustees
- IPM SIPP Administration

### Offshore bond

- Utmost International Isle of Man Limited
- Canada Life International
- Friends Provident International
- Quilter International Isle of Man Limited
- Utmost PanEurope dac
- Isle of Man Assurance (IOMA)
- Canada Life International Assurance (Ireland)
- Monument International Life Assurance Company Limited
- Clerical Medical Insurance Company

### Onshore bond

- Countrywide Assured Limited

## Functionality

Morningstar Wealth Platform takes care of the heavy lifting of administering investments on behalf of your clients, so you can focus on spending time with them; the aspect of your service we know they really value. Our proprietary technology supports enables you to scale, streamline and ultimately become more profitable. Our platform offers a clean, modern user experience which is easy to use and offers seamless digital and paperless applications.

## Tried and tested technology, investing in continued improvement

Owning our own technology means we can adapt as the advice landscape changes and develop as your needs evolve. Listening to you is key to determining where we spend our time. Robust feedback loops allow us to hear directly from you, efficiently turning insight into useable product features and enhancements.

## Market leading workflow and user experience including online applications

We want to impress you with how easy it is to produce a client pack. From digital acceptance our integration service as well as the below marketing leading solutions – that's right, no paper forms – to market leading application processing; client accounts and portfolios are quick and simple to establish.

- Docusign
- Adobe Sign
- Advicefront
- Signable
- SignNow
- Dropbox Sign (previously HelloSign)
- Galaxkey
- Virtual Cabinet
- Zoho sign
- PandaDoc

The online applications form is intelligently designed to add and remove fields based upon previous details provided. We have online digital acceptance available for Morningstar Wealth Platform products (see available tax wrapper section), which means that no physical signature is required to open an account. When an investor digitally accepts, we capture their location along with browser information to prove the acceptance was made by them. We also provide a pre-populated application form should you wish to obtain a physical signature from your client.

## The entire experience delivered to you in your brand

Promote your brand and business and don't let your platform steal your limelight. The whole platform experience for you and your clients can be delivered to you in your brand. So you and your clients will experience a personalised version of the platform; from the logo and colours within the site to branded model names, to the paperwork and statements your share with your clients. This way, you are able to customise the solution so that you only see the product providers and DFMs you want to be included following due diligence. The online platform, client reporting, application documentation and Investor Portal can be fully branded to your firm or network. This is all part of the service and is delivered at no additional cost.

## Award winning service

From onboarding, to using the platform on a daily basis, we've built our business around making sure it's as seamless as possible. We hope you don't need to contact our support teams. But if you do, dedicated staff will be on hand to assist with whatever you require support with.

## Adviser portal

Morningstar Wealth Platform's Adviser Portal is designed to be the home for all your platform tasks. Through the Adviser Portal you can open accounts, adjust weightings, get valuable business data, run reports, and access your clients' Investor Portals.

## Investor portal

We provide your clients with access to an online portal that provides a simple summary of their investments. The Investor Portal allows them to view asset allocations, underlying holdings, performance and money movement. The portal is available 24/7 anywhere with an internet connection. Importantly, at no time are your clients able to execute transactions independently of you.

## Investment selection

The platform is configured to ensure it's easy for you to run your firms CIP, e.g. your selection of managers, models and satellite assets. As your business and CIP evolves over time, so can the configuration options to ensure we support your client proposition.

## Switching monies

Easy ability to instruct the movement of contributions between different account types e.g. GIA to ISA.

Investment templates

You can set up templates of investment ‘models’ for easy implementation with new clients. Templates remove the risk of choosing incorrect assets and help you treat investors equitably. Bulk switching, linking templates to accounts, ability to make asset allocation changes and version control help take the pain out of managing your clients’ investments.

Interest and dividends

Interest and dividends can be reinvested in the account or paid out to the investor as natural income within the GIA and ISA To avoid dripping out individual payments the value is aggregated and paid out to your client once a month.

Reporting

Up to date reports can be access by the reporting tool via the platform at any point of time. You can choose your date ranges and obtain back dated valuations. Excel exports can also be taken from the platform.

You can share reports and other documents with your clients safely and securely via document sharing between the Adviser Portal document library and Investor Portal document library.

Cash management

We automatically keep 1% in cash to cover ongoing fees and charges. As this depletes we will make sales to bring the cash position back in line with the original 1%.

Approval and control

There are additional steps for approval and control when submitting new applications and making changes to model weightings. Individuals can be granted permission to approve new accounts or trades.

CGT functionality

Our CGT engine calculates the unrealised and realised gains at account level. You can run ‘what if’ scenarios by selecting assets you wish to sell and viewing potential gains.

Dynamic modelling: A consistent client experience, resulting in consistent client outcomes

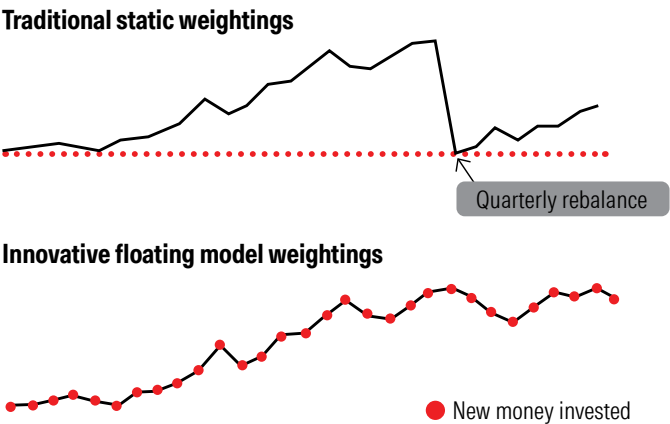
With Morningstar Wealth Platform there is no requirement for quarterly rebalancing to bring your clients back in line with their models. A unique and powerful aspect of the platform is our Dynamic Modelling feature, means model weightings float with the market until the DFM makes a change to the model.

When the adviser selects a strategy for an investor they will be weighted with the manager’s strategy as it stands on that day, not a static asset allocation set each quarter. The investor will have the stock in their portfolio which reflects the manager’s position on that day, and the manager knows that all investors are aligned with the model and they can simply make a change to all investor portfolios at any time to react to market conditions.

The algorithm works by comparing weightings in the model portfolio against weightings in investor accounts (divergence).

Divergence is driven by:

- Investment manager changes in the Model; or
- Adviser selects a different model; or
- Investor withdraws or deposits cash



Benefits	Traditional static	Morningstar Wealth
<b>A consistent client experience.</b> Consistent outcomes across asset allocation, performance, risk	✗	✓
Have <b>the same conversation with all clients</b>	✗	✓
New <b>client monies invested inline with investment team allocations</b> via drifted weightings	✗	✓
<b>Performance matches fact sheet</b>	✗	✓
<b>Rebalance for investment reasons, not administrative</b>	✗	✓

# Accessibility

## Models

Model Managers and adviser firms with discretionary permissions can establish and manage their own model portfolios and create greater consistency and control of investment portfolio construction for their clients. These models are only made available to the adviser firm when instructed by the model manager/adviser firm.

## Accessing support documents

User guides are available online with easy search 'how to' functionality. All user guides have step-by-step instructions on how to use the platform with easy to follow screen shots.

## System status

We are transparent in our system status and response times and make these available to view online. We provide details of each part of the platform and whether it is working on the primary server or backup server and response rates to show the running speed.

## Client access

Your clients are restricted to read-only access to the Investor Portal to view valuations, account history and performance. Any changes required to investments or changes to their personal circumstances are made via you as we are an intermediated business.

## Public cloud

In 2024, we completed an upgrade of our infrastructure and hosting, moving fully to public cloud. By moving to a public cloud, the platform will be more accessible, scalable, easier to deploy change and provide improved performance with greater security.

## System updates

We perform IT updates every few weeks. Clients will experience little downtime as we can re-route to our back up infrastructure. We may from time to time add a banner online where relevant if we think updates may cause a disruption. All updates are performed outside UK working hours.

## Supporting your practice

### Access to experts and a global community

- Access the experts at Morningstar
- CDP accredited events, live and on-demand
- Insights and resources
- Thought leadership
- Webinars
- Podcasts
- Forums
- Study tours

### Demonstrate the value you add to your clients

- Proactive support network
- Client-friendly chart packs
- Behavioural coaching support
- Content ready content
- Dear client letters

### Dedicated contacts

- Primary contact points
- Onboarding
- Active support
- Best practices
- Training available



## Tools

Below is a list of tools currently available on Morningstar Wealth Platform. Because the platform is discretionary, many of the standard tools necessary for building a portfolio are not required. We do not offer individual fund selection, asset allocation, forecasting or risk mapping tools. The model manager will conduct their own research when creating and managing their strategies which are then made available to adviser firms. You are able to view the latest weightings and holdings in the manager's strategies as well as view the asset allocation so you can monitor any updates.

Tool	Additional cost
Client Illustration	No
CGT calculator	No
Charting tool	No
Digi sig	No cost for the Morningstar Wealth platform integration
Consolidated reporting	No
Transition service!?	

## Integration with back-office systems

Morningstar Wealth Platform can provide data feeds via an API or secure FTP to your back-office provider. We can provide valuation files daily and fees, cash transactions and trade transactions monthly.

## Website

Our website has more information on our products and services <https://morningstarwealthplatform.com/en-uk/>

## Frequently asked questions

### How would you describe your platform?

Morningstar Wealth Platform helps you create and implement the right investment proposition for your business and your clients.

#### Reduces time spent on administration

- Morningstar Wealth Platform's award-winning technology provides the most accurate and up-to-date valuations available.
- Discretionary management means there is no need for client signatures when portfolios are updated.
- Reports are accurate and of accountancy standard.
- All client portfolios are in line with each other and with their models – you don't need to manage this.
- You can change your DFM at any time.

#### Saves cost and eliminates unnecessary rebalancing

Our dynamic modelling eliminates the need for quarterly rebalancing to bring accounts back into line, meaning investors are in line with each other and with their model.

#### A holistic view of your clients' finances in one place

Available anywhere with an internet connection and on any device, we provide 24/7 access for your clients to view all their assets across all accounts in their own Investor Portal, including non-managed assets like property and art. Our suite of integrated data feeds ensures more time for you and more engagement for your clients.

#### Your brand

It's your brand, it deserves to be seen. We'll implement your corporate colours and logo wherever possible, so your clients understand that you are providing them with your own portal.

#### One login for two environments

Built-in single-sign-on capability means you can seamlessly move between the Morningstar Wealth Platform, your Adviser Portal, and your Investor Portal, where you can easily see exactly what your clients can see.

#### Online applications and digital acceptance

It takes just minutes to set up an investor account online. Plus, our digital acceptance technology allows investors to sign application forms completely remotely, potentially saving you hours.

### Is the platform the core business of your organisation?

Yes, the platform is our core business. We provide other services that complement and integrate with the platform.

- We are not just a service provider: Morningstar Wealth Platform also has Smart Investment Management Ltd (SmartIM), an authorised
- fund manager that offers risk-graded, multi-asset portfolios and funds to the UK and international markets. For more information on Smart
- Investment Management Ltd please visit: [www.morningstarwealthplatform.com/smart-im](http://www.morningstarwealthplatform.com/smart-im)
- We provide a CRM and financial planning suite to help you manage your business. For more information on our financial advice software please visit: [www.wealthcraft.com](http://www.wealthcraft.com)
- We also provide a Praemium Retirement Account (PRA) SIPP accessible via the platform.

### Why did Morningstar buy the Praemium UK and international business?

- The end-to-end solution from Praemium adds to Morningstar's existing data, fund profiles, portfolio analytics, and investment management capabilities available to advisers; Morningstar and Praemium are complementary businesses that we believe can grow faster together.
- Morningstar Wealth Platform will continue to operate in the same way as it has done; it has built a great business and a talented team that we look forward to helping accelerate the already impressive growth both in terms of services and clients.
- Likewise, this won't change the way Morningstar delivers products and services to advisers, but it will offer exciting opportunities to enhance the digital and technology solutions we provide to our clients in support of investors.

### Do you ever communicate directly to investors?

We respect the adviser/client relationship and as such will never market your clients. We are required, by our regulators, from time to time, to communicate with investors, e.g. as part of the MiFID II regulatory requirements. Other than for legal reasons, communication preferences are managed by you.

### Who is your platform IT supplier?

The technology is our own proprietary technology, developed and supported by our in house Product and Technology teams.

## Are you planning any significant changes to your underlying technology?

No, but we are constantly evolving and improving our technology. We are further developing our Investor Portal and Adviser Portal and we are simplifying the account opening process to improve the investor experience and increase efficiency for you. Any technology changes related to the acquisition have already been completed.

## Have you changed your software supplier recently?

N/A – Our technology is proprietary.

## How do you set your development roadmap?

Unlike many other platforms, we own and develop our own software. We have dedicated development teams in London and India and we have an agile and empowered approach to development. We work closely with our clients and listen to their needs and “pain points”. We also keep abreast of market and regulatory change to ensure that the roadmap we set is in line not only with what you want but also industry best practice. You can be sure that your business is being supported by a powerful, accurate and cutting-edge technology partner.

## What other developments are scheduled for the future?

Our approach focuses on rapidly evolving the capabilities offered to deliver value to clients and customers. This is possible because of the unique combination of Morningstar Wealth's proprietary technology, commitment to working closely with advice firms to identify opportunities for improvement and our ability to deliver change regularly through small increments which we do every two weeks. For details of what developments are scheduled please contact your account team.

## Do you offer a central cash account or a cash account in each product wrapper?

We do not have a central cash account. The Morningstar Wealth Platform architecture enables each wrapper to hold cash alongside model portfolios and single assets in a single account.

## What cash accounts are available?

Instant access and fixed-term deposit accounts are available. Fixed-deposit terms range from six months to 36 months. Contact us for a full list of available banks.

## What is the minimum cash requirement on the platform?

1%, which is held within the portfolio to cover ongoing management and adviser fees.

## Where are the deposits held?

Our client bank account is with HSBC. Our instant access and fixed-term deposits are held with a range of providers.

## Is there an automated phased investment option?

Not currently

## Describe the process for a new intermediary firm to access to the platform.

We do not strive to be a mass-market platform and therefore work in partnership with strategic firms whose business model and proposition are a good fit for our technology. Please contact a member of our Sales Team to discuss.

## Is re-registration of assets possible and are there any restrictions?

Re-registration of assets on to and off the platform are available, we use Origo and Altus and will instruct transfers electronically wherever possible.

## What are the typical timescales involved for re-registration?

It varies by product, asset type and product provider; this can range from 1-8 weeks in our experience.

## Do you support electronic re-registration?

Yes.

## What are the procedures for exiting the platform and are there any costs?

Transfers out can either be in cash or in-specie and there are no restrictions.

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## Contact your local sales representative

✉ advisersupport.MWP@morningstar.com

🖱 Morningstar Wealth



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### About Morningstar Wealth

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