Morningstar Site Strategy Document
FEBRUARY 14, 2000

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Executive Summary

With a well-known, well-respected brand and established relationships with individual investors, advisors, and financial institutions, Morningstar occupies a unique competitive position in the financial services marketplace. Aided by a recent infusion of capital from SoftBank, Morningstar has launched an effort to move its business to the Web. To accomplish the challenge, Morningstar engaged Sapient to help design and develop this Web presence and to help define and create an online experience that will continue to differentiate Morningstar as a premium brand in the financial services industry.

During the Discovery stage, which concluded in late October, a combined team of Morningstar and Sapient representatives identified and investigated the range of current opportunities for the advisor and institutional businesses. The team also created a business strategy for the initial phase of the Web implementation. Building on the Discovery project, the team began two additional projects:

- The Site Strategy project (the subject of this document), which focused on how many sites should be created, the features of those sites, as well as the vision for the experience the sites would create for Morningstar's customers.
- The Common Components Design (a separate deliverable), which focused on how to design a flexible technology infrastructure to support the needs of the advisor and institutional businesses.

As a result of the Site Strategy project, several recommendations have surfaced that will provide the foundation for the detailed design and implementation of the new advisor and institutional Web offerings.

The Solution: Two Sites

The combined Site Strategy team discussed several options for structuring Morningstar's Web presence. After considering the organization, financial, technological, and brand implications for each option, the team recommended two separate sites, one targeted to advisors and one targeted to institutions. Taking this path creates the opportunity to leverage the strength of Morningstar's brand, to establish relatively distinct experiences for the advisor and institutional audiences, and to ease the transition of these business segments to the Web. This direction will not preclude potential reconfigurations of the sites in response to future evolutions of the Web and changing market/competitive conditions.

One site for advisors...

The advisor site would provide independent and captive advisors with online access to Morningstar data, tools, analysis, and commentary, all in a way that is robust yet easy-to-use.

On this new site, advisors could search for and compare investment information; track stocks and funds; create graphs and tables; and publish their own reports. The site would also offer electronic alerts based on user-defined criteria.

The advisor site would be a valuable resource for advisors struggling to expand their offerings and broaden their client relationships through more comprehensive planning services. Not only would advisors have access to tools and data, but also content such as editorial analyses, news, and bulletin boards to provide a larger informational context. Because the site would focus on the specific needs of advisors, it also would include features such as access to continuing education and, in the future, professional referral networks.

The site would generate revenues from direct sales of premium content (including tools, client support materials, and educational offerings) to independent agents and corporate accounts. Additionally, it would generate revenue from online advertisers and sponsors. Morningstar could also sell valuable site user information to institutional sponsors. As a way to attract customers, some content should be free to all visitors, while other content should be free only to registered users.

...and a different site for institutions

On the institutional site, customers could access Morningstar data, analysis, and commentary as well as other investment universe data. This information should be much more in-depth than that available to advisors.

Most of the data analysis features from the advisor site would also be available on the institutional site with the added ability to download data sets in various formats. The site would also allow institutions to access valuable information about registered and premium users of Morningstar's advisor site.

The institutional site would generate revenues from direct sales of premium content (including data, tools, and special prepackaged reports) to institutional accounts. Again, to attract users, some content on the institutional site would need to be free, including relevant institutional content that is currently offered at no cost on competitive sites and other Morningstar sites.

Why Two Sites?

There are a number of benefits to be gained creating separate sites for advisor and institutional customers.

Benefits of the Advisor Site

- Transitioning the existing, software-based Principia product to the Web would result in expanded distribution capability combined with a lower variable cost of providing this information and service.
- A separate site focused on advisor needs could direct advisors away from the retail site. By creating a separate and distinct Web presence for this audience, Morningstar could preserve discrete advisor revenue sources and combat current revenue erosion resulting from advisors buying retail-focused products.
- The modularity of the site means that product offerings can be bundled to address the needs of captive advisors within specific institutions. When marketed directly to corporate purchasing "decision makers,"

these targeted offerings represent an opportunity to penetrate the captive advisor market.

- An aggregated audience of independent advisors is extremely attractive to institutional advertisers and sponsors. Successful aggregation of this audience will provide new revenue opportunities from advertising and corporate sponsorship of online information, events, tools, and classes.

Benefits of the Institutional Site

- The institutional site would allow Morningstar to transition its existing data services functions onto the Web, resulting in a lower variable cost of providing this information and service.
- Institutional customers can self-serve, including Building and saving their own queries, or they can contract with Morningstar for help. In either case, query-building is simplified, reducing or eliminating associated costs.
- Having a separate site for institutional customers, combined with an offline, direct sales process, should help preserve discrete institutional revenue sources, and combats the current revenue erosion resulting from institutional purchase of advisor-focused products, provided that clear differentiation of the products incremental value can be conveyed to the audience on the Web.
- Product offerings can be bundled and tailored to target specific institutional customers, including investment management, marketing, and fiduciary users. The result is deeper penetration within existing institutional accounts.

Other Benefits

- This solution drives product standardization, while modularity of the sites provides for enhanced user customization. Product standardization allows for better understanding of costs and rationalized pricing of products and services, while the modularity of the sites preserves users' ability to select and buy only what they want.
- The modularity of these sites also provides for rapid assimilation of new institutional- and advisor-focused products and services, including those that are provided by partners and alliances.
- A common, flexible infrastructure supporting institutional tools facilitates the development of tool standards. In the future, tool standards can potentially be used to drive online integration of institutions and independent advisors. This is a valuable proposition to institutions, which are looking for forums and vehicles to solicit non-captive advisors. Tool standards contribute to Morningstar's longer-term strategic objective of creating a marketplace.

What's Next?

This Site Strategy document provides recommendations for the design and implementation of the advisor and institutional sites. For information about project plans and the approach for future work, please refer to the formal proposal document, "Web Strategy Implementation Stage 3 Proposal", which will be delivered under separate cover.

Contents

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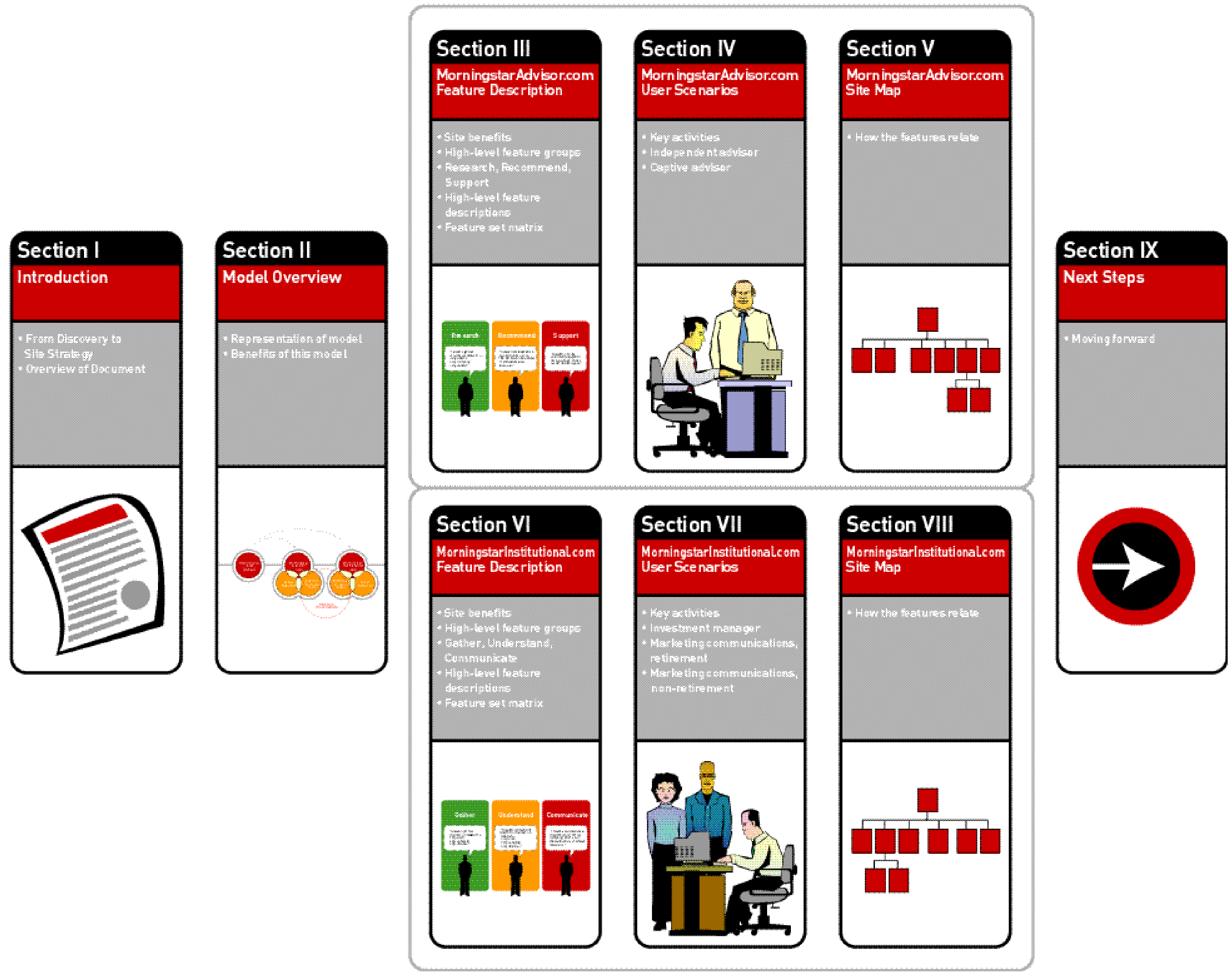


Section 1

Introduction

Introduction

Beginning in late November 1999, and continuing for a total of nine weeks, a team of representatives from Morningstar and Sapient worked together to further define Morningstar's advisor and institutional Web presences. This project, called Site Strategy, incorporated work from the previous Discovery phase with additional research and design. The result is a high-level plan for the design and implementation of two Web sites, which we preliminarily refer to as MorningstarAdvisor.com and MorningstarInstitutional.com.

Why a Site Strategy project?

Where the Discovery phase focused on Morningstar's total Web strategy, Site Strategy began shaping the individual advisor and institutional presences. The assessments and analyses performed in this project provide critical information about how the sites should be constructed, how they should relate to users and to each other, which features they should offer, and how they should be packaged. Site Strategy ensures that in designing the sites, Morningstar has considered user need, technology constraints, and brand positioning alongside their own business requirements. This multidisciplinary perspective begins to establish a solid foundation upon which a final solution may be built.

What did we accomplish during Site Strategy?

This Site Strategy project followed a five-week Discovery phase that concluded at the end of October 1999. Some of the work from the Discovery phase, including a statement of Morningstar's long-term e-business goals, provided important strategic context for work performed during Site Strategy. The team used other Discovery work, such as client interviews and a broad industry analysis, to construct initial hypotheses and basic assumptions about site features and underlying site architecture. The efforts of this phase then concentrated on fleshing out the basic site features and architecture assumptions and hypotheses. Sapient's Experience Modeling discipline spent time with Morningstar's customers to understand more about their work processes and identify opportunities for Morningstar. As a team, Morningstar and Sapient evaluated alternative site models and selected a structure from which to begin planning the site. We defined and prioritized features for the sites. Finally, working definitions of the information and technical architecture, content strategy, branding strategy, and site pricing models were created. These definitions make up the content of this document and are meant to inform, not determine, subsequent design and implementation activities.

What does this document include?

The main sections of this document provide:

- An **overview** of the suggested structure of Morningstar's Web presence.
- Descriptions of the recommended **features** for each site.
- Advisor and institutional **user scenarios** that illustrate how customers might use the sites.
- Preliminary advisor and institutional **site maps**.

The appendix includes assessments and recommendations relevant to:

- **Business implications**, including pricing strategy, customer transition and acquisition, and ongoing development, operation, and management of these sites.
- Digital **brand strategies** for both the advisor and institutional sites.
- Brief **competitive analysis** of potential competitor sites to identify both online opportunities and best practices.
- High-level recommendations about the creation of **content** for advisors and institutions.
- The **current Principia product**, including a general assessment of the existing software-based product and expected issues and challenges associated with putting this type of application on the Web.
- A summary of the preliminary **front end benchmarks** of the proposed sites.
- Other site **model options** that were considered.
- A **summary presentation** (created as the result of a one-day strategic working session) that describes a potential, longer-term digital business vision for Morningstar and aligns high-level financial, market, brand, organizational, and technology strategies.

From Discovery To Define

This table shows how information from Discovery was used in the Site Strategy project.

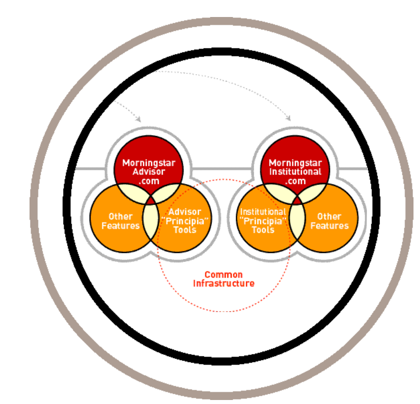
From Discovery to Site Strategy

DISCOVERY STAGE	SITE STRATEGY STAGE
Described and validated Morningstar's e-business strategy.	Translated Morningstar's overall e-business strategy into goals and objectives for the advisor and institutional presences.
	Developed an overall strategy statement that incorporates relationships among Morningstar's three major audience segments.
	Articulated advisor and institutional site pricing model.
Researched Morningstar's business environment and organizational structure.	Identified preliminary financial, market, brand, organizational, and technology strategies that align with the vision.
	Defined a site structure that supports and enhances Morningstar's business environment and organizational structure.
	Assessed Morningstar's existing resources and processes. Identified reusable assets and gained a better understanding of the level of effort for building the sites.
Formulated a plan for executing Morningstar's e-business strategy.	Defined scope and developed estimate for the design and implementation of the new sites.
	Created preliminary customer transition and acquisition strategies.
Identified features for Morningstar's advisor and Institutional presences.	Prioritized features for Morningstar's advisor and institutional presences.
	Identified mid-level requirements for implementing these features.
Identified Morningstar's target advisor and institutional audiences and outlined their workflows.	Performed ethnographic research of advisors and institutional employees to understand how they perform their work and how they use Morningstar products.
Interviewed advisors and institutional employees to understand their perception of Morningstar and identify explicit needs.	Reviewed Discovery findings to uncover areas for further exploration.
	Interpreted research findings and iterated on the advisor workflow process developed in Discovery.
Analyzed Morningstar's competitive landscape to understand business models of some Morningstar competitors.	Performed low-level competitive analysis to identify best-of-breed strategies and understand: • How competitors provide services to advisors and institutions. • Competitors' online brand positioning. • Industry visual design standards. • Competitive content offerings. • Hierarchical and navigational standards.
	Identified several ways to structure Morningstar's online presence and selected and defined the preferred model.
	Defined the preferred model.
Analyzed Morningstar's current brand position in the advisor and institutional marketplaces.	Identified unique characteristics of both the advisor and institutional online brands. Developed branding strategies that will help focus the creative and technical development of the sites.

Section 2

Model Overview

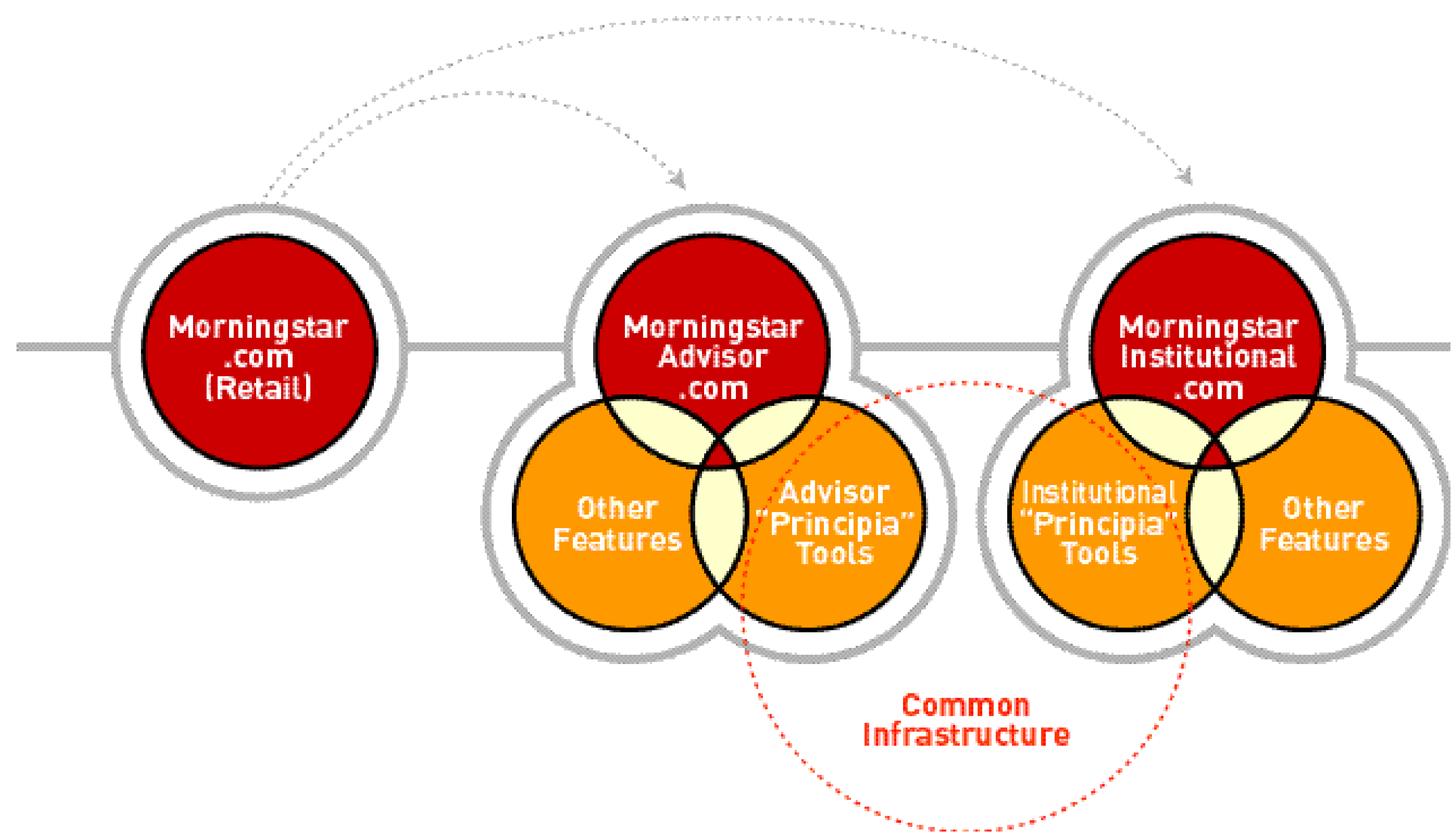
A "model" demonstrates how Web sites and sub-sets relate to and interact with each other. Morningstar selected model that provides separate sites, and therefore distinct experiences, for each of its audience segments.



Model Overview

Site Strategy examined several methods of structuring Morningstar's Web presence, taking into consideration audience needs, Morningstar's organizational requirements, and Morningstar's business requirements, among other factors. After a review of the options presented, Morningstar chose this model, an audience-based approach that allows users to select Morningstar services based on their immediate needs. The other models that we evaluated are included in Appendix G of this document.

For the time being, Sapient and Morningstar have chosen to refer to the new sites as MorningstarAdvisor.com and MorningstarInstitutional.com. Incorporating the Morningstar name into the URL should help users identify the value they know Morningstar provides with their experience on the new sites. The official names for the new offerings will be determined at a later date.



Model Overview

Why This Model Is Right for Morningstar

Preserves existing revenue sources

Currently, many advisors are taking advantage of the free information available on Morningstar.com. By creating a new site specifically for advisors, Morningstar may be able to recapture revenue that may have been lost. In much the same way, institutions are using Principia to get information at a reduced cost. A site targeted to them, combined with a sales process that happens offline, could preserve institutional revenues.

The Web helps Morningstar use resources effectively

MorningstarAdvisor.com and MorningstarInstitutional.com would share some common infrastructure, which would support lower-level standards for tools. Potentially, this could facilitate future online integration of institutions and independent advisors. Not only do tool standards contribute to Morningstar's vision of a marketplace, but provides a valuable forum for institutions to solicit non-captive advisors.

Transitioning Principia functionality to the Web means that it will be more easily accessible and available to more customers. This move online should also allow for product standardization, which will better enable Morningstar to measure costs and price its products and services. Ultimately, Morningstar should experience lower variable costs associated with providing these services.

Provides a greater breadth of revenue opportunities

This model enables Morningstar to bundle products and services to address the specific needs of an audience. Morningstar may be able to penetrate the captive advisor market if Morningstar markets these offerings directly to corporate purchasing decision makers. Additionally, an aggregated audience of independent advisors may attract advertising and corporate sponsors of online information, events, tools, and education.

Builds sub-brands supported by the equity of the Morningstar brand

Morningstar's brand is highly recognized among advisors and institutions. This will enable Morningstar to create durable sub-brands for the new advisor and institutional sites. Having sub-brands means that each brand may grow and expand with a minimal effect on other sub-brands, while at the same time enhancing the Morningstar master brand. This strategy will also differentiate the new brands from the competition in the minds of advisors and institutions.By creating brands targeted to the needs of an audience, Morningstar may provide a meaningful experience for them that enhances Morningstar's own credibility.

Why This Model Is Right for Advisors

Focuses on advisor's unique needs

Each advisor has a unique way of working and each client has unique expectations for the advisor. This model's modularity allows advisors to pick and choose the services that are relevant to them without forcing them to wade through excess data.

Provides a range of information and services in one place

Clients are expecting more service from advisors, which means advisors need to educate themselves on a broader scope of subjects. The more MorningstarAdvisor.com can support the range of activities advisors perform, the more advisors will be able to effectively extend their own skill set and relationships. This new site should not only provide the data that advisors need, but also context for that data through features such as articles and bulletin boards, Continuing education also provides a way for advisors to remain viable as their services become more and more commoditized. MorningstarAdvisor.com could fulfill an important unmet need for advisors by providing both the information and tools they need, all in one, easy-to-use environment.

Eases the transition between software and the Web

Current Principia users have invested time and effort in learning how to use the latest software package, so Morningstar could face a challenge in migrating advisors' Principia use to the Web. Because of their familiarity with the Principia brand, its initial presence on the site should help advisors more comfortably transition to the online experience. Additionally, the benefits of using the Web to access this information—timeliness and immediate availability—are invaluable to advisors and could eventually outweigh the tradeoffs. The challenges of bringing Principia online are discussed further in the Appendix E.

Why This Model Is Right for Institutions

Provides an environment suited to the particular needs of institutions

The needs of institutional customers are very different from those of advisors. Yet institutions are using advisor products, which fall short of institutions' needs. Providing a separate environment where institutions can obtain Morningstar's data should encourage institutions to more highly value this data. Additionally, the services planned for the institutional site will provide access to the depth and breadth of information they need. This site will allow institutions to "self-serve," which includes saving collections of data for future use.

Uses the speed of the Web to provide accurate information

Moving Morningstar data to the Web will offer institutions real-time access to the data they need. They use this information to make decisions about their business, so important the accuracy of the information is critical. The Web also offers timely resolution to problems as institutions adjust data inconsistencies and miscalculations. Dynamic communication will become the norm as customers prioritize data and Morningstar successfully delivers important information specific to each account.

Section 3

Advisor Features

An information architecture for the Web site begins with understanding the features of the site, how those features relate to each other, and how users would interact with those features.

Advisor Feature Domains

Site Benefits

MorningstarAdvisor.com should offer the following benefits to its customers:

- Comprehensive investment data services, including:
  - Risk/goal assessments
  - Asset allocation
  - Client presentation tools such as graphs and tables
  - Portfolio creation, both real and hypothetical
  - Security execution
  - Portfolio accounting
- End-to-end customer management solutions, from initial risk assessment to security execution and continuous portfolio monitoring
- Access to comprehensive Morningstar investment data, including:
  - NASD-compliant information
  - Investment detail information such as holdings and managers
  - Morningstar ratings
  - Morningstar style categories
- Timely access to Morningstar data updates
- Ability to set up customized alerts for information important to you and your customers. Keep track of:
  - The investments you offer
  - Industry news relevant to you
  - Competing fund performance
  - Client portfolio holdings
- Customized searches that you can save
- Access to investment company qualitative information (marketing materials, manager strategies, etc.)
- Access to other advisors to facilitate the sharing of ideas
- Access to industry experts an practice management ideas
- Access to lifetime learning resources

Feature Domains

These diagrams are called feature domains. They represent high-level collections of features in MorningstarAdvisor.com that fulfill shared needs of Morningstar's advisor audiences.

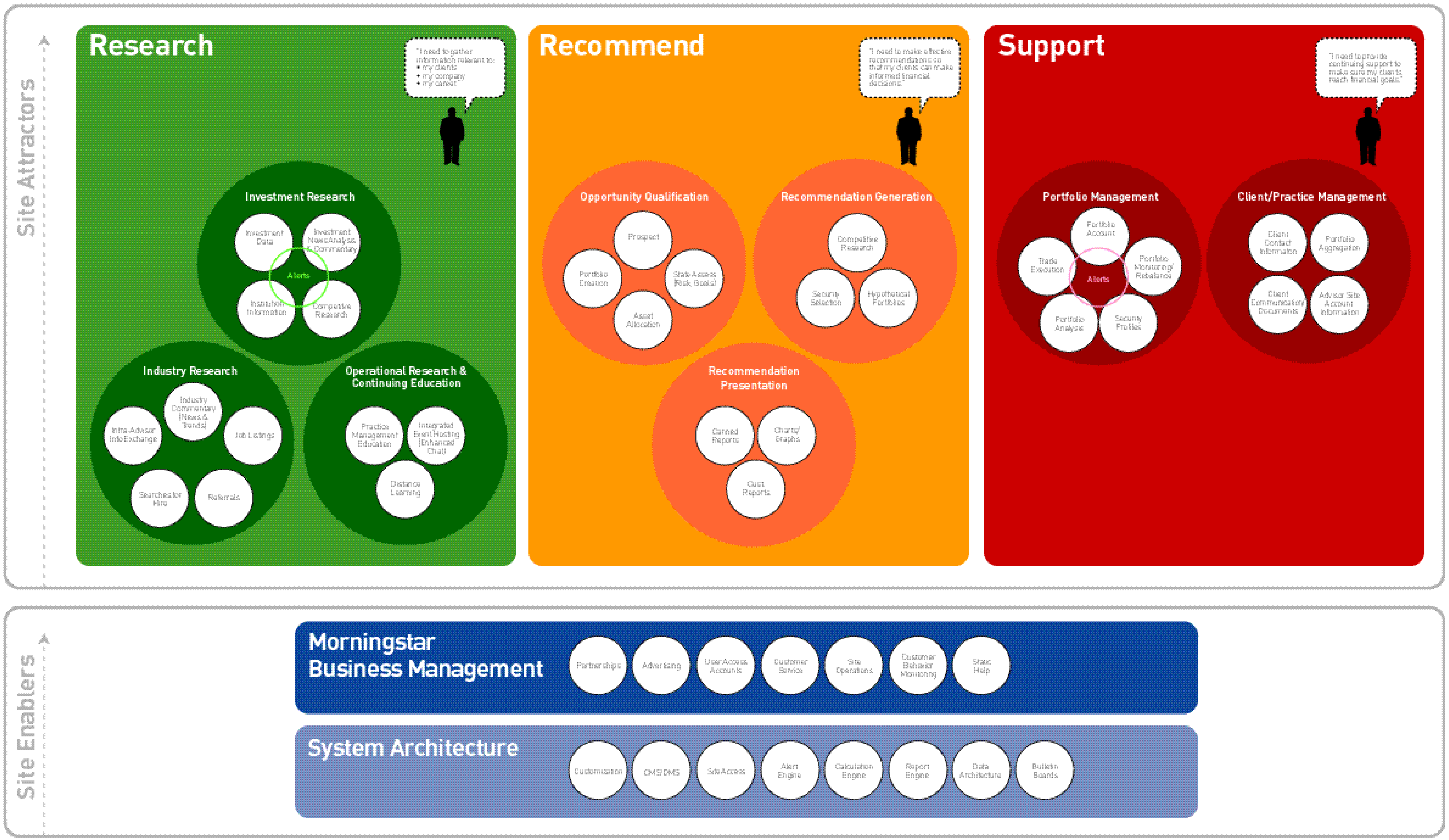
Morningstar has divided the advisor audience into two subgroups: independent advisors and captive advisors. These audiences perform three basic actions: research, recommend, and support. The satisfaction of these actions drives the tasks that advisors will perform online.

ADVISOR AREA OF WORK	DOMAIN
Maintaining a base of information and knowledge to help in all aspects of advisor work, including investment research and continuing education.	Research
Winning clients and generating business opportunities by showing you are the right advisor to manage their investment strategy.	Recommend
Retaining client relationships through monitoring portfolios and responding to changes in client situations. Maintaining business operations through managing process and information.	Support

This section of the document also describes possible features for MorningstarAdvisor.com. Please refer to the Web Strategy Implementation Stage 3 Proposal to understand what is in scope.

Advisor Features Domain Description

Each domain breaks down into gradually smaller groups of features, and eventually into discrete tasks. While these domains do not represent a hierarchy or navigational structure, they will provide the foundation for MorningstarAdvisor.com's information architecture.



Research Domain

The Research domain includes features that allow advisors to accumulate and assess various types of information. Advisors' research generally falls into three topics, represented here as subdomains:

Investment research

- Raw investment data pertaining to advisors' own offerings, their clients' current holdings, and investments in general.
- Investment news, analysis, and commentary pertaining to advisors' own offerings, their clients' current holdings, and investments in general.
- Information about trends in the advisor business itself.

Industry research

- Marketplace information about people/organizations who offer relevant services.
- Job opportunities for advisors from around the industry.

Operational research and continuing education

- Educational courses and information to help them run their businesses more effectively extend their scope and level of service.

Investment research features

The following site features support the Research domain as part of investment research.

Investment data

- Access to Morningstar mutual fund, closed-end fund, stock, and variable annuity data.
- Access to detailed information about investments, as currently represented in Principia Pro.
- Data notifications and alerts. Users would be notified about the latest data changes on investments of their choice. Users would be able to indicate which investments or data elements (Morningstar rating, fund manager) they want to monitor. When changes occur, the system would notify the user of the change.

Investment data layout customization

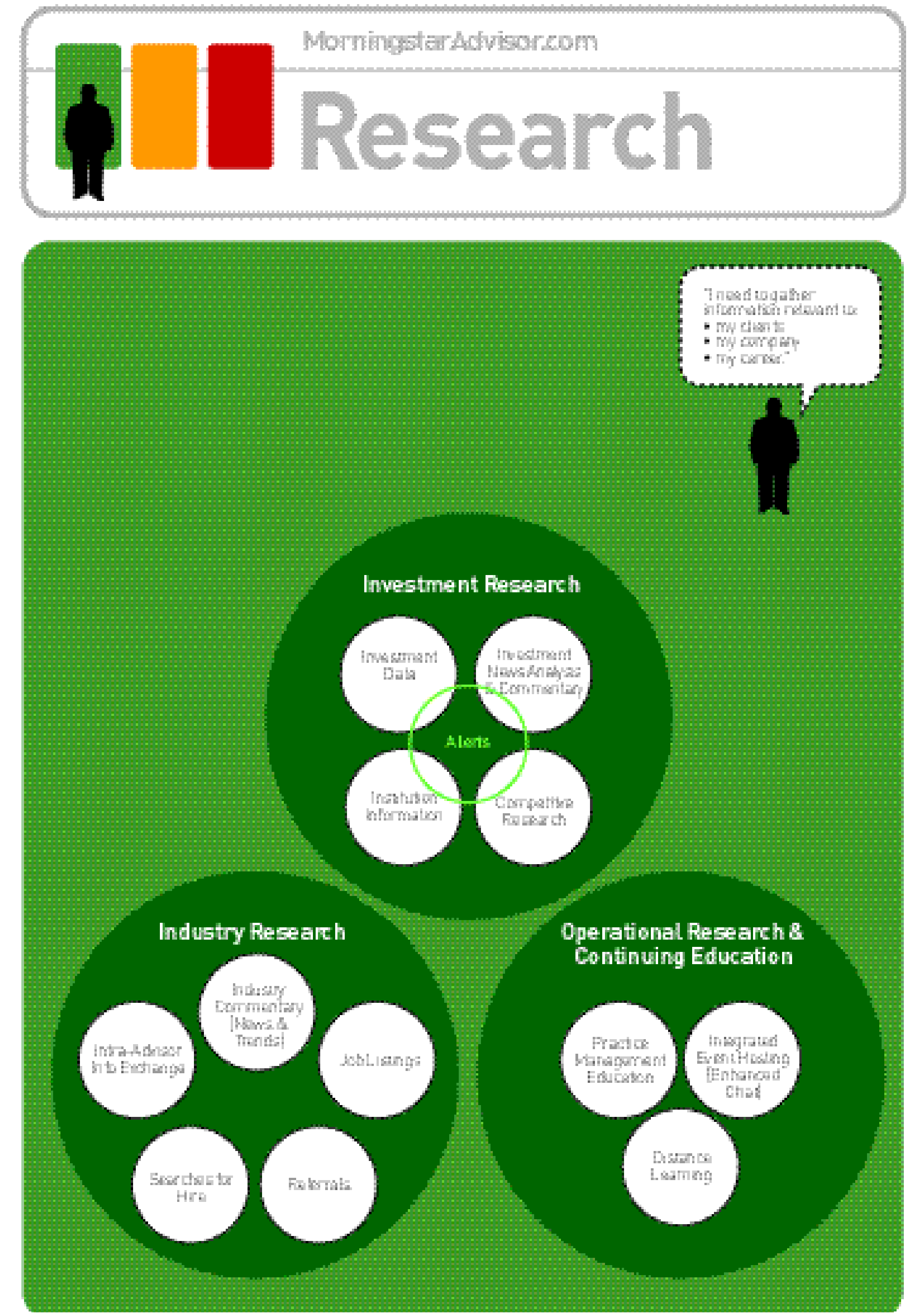
- Create customized views of Morningstar investment data similar to what is available in the Principia Research mode.
- Determine the types of mutual fund categories (domestic stock funds, international stock funds, etc.) they want to display.
- Select the data elements (fund name, Morningstar category, Morningstar rating) they want to display.
- Set the order in which the data elements display.
- Sort the data displayed by the data elements they choose.

Investment data search

- Search Morningstar investment data.
- Create complex searches using multiple operators, fields, conditions, and relational variables (and, or, not, less than, greater than, equal to).
- Create and save search criteria.
- Data notifications and alerts. Users would be notified about the latest data changes to the results of their search criteria. Users would be able to indicate which searches they want to monitor. When changes occur that affect the number of results for a given search, the system would notify the user.

Investment news and commentary

- Data notifications and alerts. Users would be notified about the latest commentary and news that is relevant to them (what is being said about their business and their competitors). Users would be able to indicate "keywords" that they want to monitor. When new information is available containing these "keywords," the system would notify the user.
- Access to current and archived Morningstar Pages, Category Overviews, Summary Sections and Commentaries.
- Access to special research, reports, and editorials



Research Domain

Advisor-to-institution information sharing

As the source of many of the offerings advisors recommend to clients, institutions, particularly fund companies, are another valuable source of investment information.

- Institutions can post information to the advisor community. Also known as the Virtual Trade Show, this feature is a mechanism for advisors and institutions to communicate more effectively.
- Send requests for additional information. Advisors would be able to send requests for additional information to the institutions.
- Data notifications and alerts. Users would be notified about the latest institution information that is relevant to them. Users would be able to indicate which institutions they want to monitor. When new information is available from these institutions, the system would notify the user.

Competitive research

The ability to compare the same data points across investments is essential to understanding the relative market position of offerings and investments. The site would offer tools that allow users to compare data points across investments within the same universe. Methods for comparing data include creating charts/graphs (reference the Recommend domain).

Intra-advisor information sharing

Other advisors could be another source of valuable information. The site would offer forums including bulletin boards for advisors to communicate with each other.

Printing information

Users would be able to print information. The use of .PDF files and other tools would be used to maintain formatting.

Industry research features

The following site features would support the Research domain as part of industry research.

Job listings

MorningstarAdvisor.com would be a source of career opportunity information. Users would be able to view classified ads from advisor firms and institutions seeking personnel.

Services for hire

The ability to connect with someone who provides services or has capabilities that might enhance an advisor's offerings is important in the time of changing client needs. Services for hire would provide a space for people with special and even tangential capabilities, including lawyers, accountants, insurance agents and others, to network with advisors.

Operational research and continuing education features

The following site would support the Research domain as part of operational research and continuing education.

Practice management education

- Access to the latest information regarding Morningstar investment methodology
- Access to educational articles:
  - Technical reviews
  - Best practices
  - Compliance
  - Etc.

Integrated event hosting (enhanced chat)

- Access to industry thought leaders:
  - Basic chat capabilities
  - Streaming video technologies and other interactive media

Distance learning

- Access to the latest educational courses on the tools that advisors use.
- Access to certification courses.

Feature opportunities

The following features could be added to MorningstarAdvisor.com in the future:

Referrals

This feature allows Morningstar to connect retail investors to professional investors. Retail investors would be able to request services. Those requests would be routed to professional investors on MorningstarAdvisor.com.

Calendar of events

A calendar of events would list Morningstar and industry events that relate to advisors.

Polls

Polls are an interesting way to gauge the attitudes advisors have about particular topics Polls also allow them a method of actively participating in the content available on the site.

Advisor ratings of investments

Similar to the Morningstar rating, but less scientific. Advisors would be able to rate investments and investment companies on such issues as service level, fees,etc. It is another way for advisors to exchange information and participate in the community.

Fund flows: What are advisors doing?

The ability of advisors to see what fund managers are doing on the site is valuable intelligence information. This would make certain customer behavior data points public. An example of data points that could be made public are "top ten investments viewed" or popular courses.

Research Domain

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers 29 and 14 beneath the column headings indicate the relative weighting of each point of view.

Investment Research Subdomain

Investment data	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Prior	Disc Phase	Disc #	Notes
view detail - users should be able to view detailed information about investments	5	5		5	5	430				
stock detail - users should be able to view detailed information about stocks	5	5		5	5	430				
view - users should be able to access the following views of stock information	5	5		5	5	430				
Quicktake	5	5		5	5	430	MH	I	100	
Snapshot	5	5		5	5	430				
Financial statements 1	5	5		5	5	430				
Financial statements 2	5	5		5	5	430				
Company performance	5	5		5	5	430				
Stock performance	5	5		5	5	430				
Valuation	5	5		5	5	430				
Ownership	5	5		5	5	430				
Price Graph	5	5		5	5	430				
modify view	5	5		5	5	430				
print - users should be able to print the stock detail information	5	5		5	5	430				
modify view	5	5		5	5	430				
mutual fund detail - users should be able to view detailed information about mutual funds	5	5		5	5	430				
view - users should be able to access the following view of mutual fund information	5	5		5	5	430				
Quicktake	5	5		5	5	430	MH	I	100	
subaccount holdings	5	5		5	5	430				
Morningstar page	5	5		5	5	430				
magnify	5	5		5	5	430				
Summary section	5	5		5	5	430				
Commentaries	5	5		5	5	430				
Industry trends	5	5		5	5	430				
Fund spotlights	5	5		5	5	430				
Performance data	5	5		5	5	430				
Indexes	5	5		5	5	430				
Morningstar categories	5	5		5	5	430				
Basic Detail	5	5		5	5	430				
Investment approach	5	5		5	5	430				
Risk/Return profile	5	5		5	5	430				
Basic performance	5	5		5	5	430				
Growth of 10K graph	5	5		5	5	430				
Portfolio (Advanced Analytics)	5	5		5	5	430				
Composition graph	5	5		5	5	430				
Stock statistics graph	5	5		5	5	430				
Sector weightings graph	5	5		5	5	430				
modify view	5	5		5	5	430				
Regional exposure graph	5	5		5	5	430				
Regional exp - history graph	5	5		5	5	430				
Bond quality	5	5		5	5	430				
Rolling return - graph	5	5		5	5	430				
modify view	5	5		5	5	430				
set custom time periods	5	5		5	5	430				
Rolling return - table	5	5		5	5	430				

Research Domain

Investment Research Subdomain

				modify view		5	5		5	5	430
				set custom time periods		5	5		5	5	430
			Rolling return - risk statistics table			5	5		5	5	430
			Performance			5	5		5	5	430
			Trailing periods graph			5	5		5	5	430
				modify view		5	5		5	5	430
				set custom time periods		5	5		5	5	430
			Nominal vs real return graph			5	5		5	5	430
				modify view		5	5		5	5	430
				set custom time periods		5	5		5	5	430
			Investment style table			5	5		5	5	430
			History tables			5	5		5	5	430
			History graphs			5	5		5	5	430
			Analyses			5	5		5	5	430
			Analyst reviews			5	5		5	5	430
			Manager profile			5	5		5	5	430
			Category overview			5	5		5	5	430
			Operations			5	5		5	5	430
			Nuts & bolts			5	5		5	5	430
			Fees & expenses			5	5		5	5	430
		print - users should be able to print the stock detail information				5	5		5	5	430
	variable annuities/life policy detail - users should be able to view the following information for va/l policies					5	5		5	5	430
		view - users should be able to access the following views of va/l policies				5	5		5	5	430
			interest rates			5	5		5	5	430
			policy information			5	5		5	5	430
			subaccount information			5	5		5	5	430
			subaccounts			5	5		5	5	430
				average		5	5		5	5	430
				graph		5	5		5	5	430
					see graphs	5	5		5	5	430
				view		5	5		5	5	430
					investment approach	5	5		5	5	430
					basic performance	5	5		5	5	430
					growth of $10K	5	5		5	5	430
					complete subaccount holdings	5	5		5	5	430
				print		5	5		5	5	430
			analysis (policy description)			5	5		5	5	430
		print - users should be able to print the va/l policy detail information				5	5		5	5	430
	closed-end funds detail - users should be able to view the following information for closed-end funds					5	5		5	5	430
		view - users should be able to access the following views of closed-end funds				5	5		5	5	430
			investment approach			5	5		5	5	430
			basic performance			5	5		5	5	430
			growth of 10K graph			5	5		5	5	430
			complete fund holdings			5	5		5	5	430
		graph				5	5		5	5	430
			see graphs			5	5		5	5	430
			premium/discount graphs			5	5		5	5	430
		print - users should be able to print the closed-end funds detail information				5	5		5	5	430
alerts/notifications - users should be able to assign alerts to investment data											

Research Domain

Investment Research Subdomain

	data alerts - users should be able to assign alerts to investment data					5	5		5	2	388			18, 21, 20	
		archive/save - users should be able to archive/save their alerts				3	5		5	1	316				
		setup/subscribe to - users should be able to determine what data they want to receive alerts for				5	5		5	2	388				
		setup frequency - users should be able to set up how often they want to receive alerts				5	5		5	2	388		I	19	
		view - users should be able to choose through what media they want to receive alerts				5	5		5	2	388				
			e-mail			5	5		5	5	430		I	17	
			pagers			1	1		1	1	88				
			PDAs			1	1		1	1	88				low user value
			Instant messaging			1	1		1	1	88				
			Fax			1	1		1	1	88				
			Voice mail			1	1		1	1	88				
search - users should be able to search investment data						5	5		5	5	430		I	61	
	criteria - users should be able to create their own customized search criteria					5	5		5	5	430	MH	I	170 - 172	
		create - users should be able to create their own customized search criteria based on investment data				5	5		5	5	430		I	66	
			universe			5	5		5	5	430		I	67, 68	
			categories			5	5		5	5	430		I	69	
			data elements			5	5		5	5	430	MH		70	
			preset parameters			5	5		5	5	430		I	57	
			custom calculations								0		I	59	
			question format								0		II	62	
		save - users should be able to save their search criteria				5	5		5	5	430		I	72, 64, 173	
		edit - users should be able to edit their search criteria				5	5		5	5	430		I	72, 65	
		publish - users should be able to publish their search criteria to other users within their firm				5	3		5	5	372				
		alerts/notifications - users should be able to assign alerts to search criteria													
			Search criteria level alerts - users should be able to assign alerts to search criteria			1	3		1	1	144				
				archive/save - users should be able to archive/save their alerts		3	5		5	1	316				
				set up/subscribe - users should be able to determine what data they want to receive alerts for		1	3		1	1	144				
				set up frequency - users should be able to set up how often they want to receive alerts		1	3		1	1	144		I	19	
				view alerts - users should be able to choose through what media they want to receive alerts		1	3		1	1	144				
					e-mail	5	5		5	5	430		I	17	
					pagers	1	1		1	1	88				
					PDAs	1	1		1	1	88				low user value
					Instant messaging	1	1		1	1	88				
					Fax	1	1		1	1	88				
					Voice mail	1	1		1	1	88				
	search results - search results will display for searches					5	5		5	5	430				
		view - users should be able to view search results				5	5		5	5	430	MH	I	74, 73	
		save - users should be able to save search results				5	5		5	5	430				
		publish - users should be able to publish search results to other users within their firm				5	3		5	5	372				
		rank/sort - users should be able to rank/sort search results				5	5		5	5	430			79	

Morningstar Advisor Features

Research Domain

Investment Research Subdomain

update - users should be able re-run searches once data has been updated so that results are updated	5	5		5	5	430	MH	I	76, 75	
customize layout - users should be able to create customized views of Morningstar investment data similar to what is available in Principia Research mode	5	5		5	5	430	MH	I	174	
Investment news and commentary										
view - users should be able to view investment news and commentary	5	5		5	5	430				
M* mutual fund category overviews	5	5		5	5					
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
M* summary sections	5	5		5	5					
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
M* commentary archive	5	5		5	5					
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
M* editorial analysis targeted to advisors	5	3		1	3	238				
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
M* news (reuse & new for advisors about industry)	5	5		5	3	402				
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
third party editorial analysis						0	MH	I	127	
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
third party news						0	MH	I	126	
send to clients - users should be able to send news & commentary to clients						0	MH	I	124	
alerts/notifications - users should be able to assign alerts to investment news and commentary								I		
News & commentary alerts	5	3		5	4	368				
archive/save - users should be able to archive/save their alerts	3	5		5	1	316				
setup/subscribe to - users should be able to determine what data they want to receive alerts for	5					145				
setup frequency - users should be able to set up how often they want to receive alerts	5					145		I	19	
view - users should be able to choose through what media they want to receive alerts	5					145				
e-mail	5	5		5	5	430		I	17	
pagers	1	1		1	1	86				
PDAs	1	1		1	1	86				low user value
Instant messaging	1	1		1	1	86				
Fax	1	1		1	1	86				
Voice mail	1	1		1	1	86				
print - users should be able to print investment news and commentary	5	5		5	5	430				
Competitive research										
compare within same universe - users should be able to compare data elements of investments within the same universe	5	5		5	5	430	MH	I	190	
compare across universes - users should be able to compare common data elements of investments across universes	5	5		5	5	430	MH	I	190	
graphs- users can generate single graphs containing multiple investment to get competitive views as well. The following graphs should be available for Morningstar investment data	5	5		5	5	430				
Growth of $10K graph	5	5		5	5	430	MH	I	184	
Generate single investment graphs - users should be able to generate graphs for one investment	5	5		5	5	430				
Generate multiple investment graphs - users should be able to graph more than one investment in a single graph	5	5		5	5	430				
Modify	5	5		5	5	430				
Magnify	5	5		5	5	430				

Research Domain

Investment Research Subdomain

			Save		5	5		5	5	430				
			Retrieve		5	5		5	5	430				
			Copy		5	5		5	5	430				
			print		5	5		5	5	430				
		Total Annual Rtn graph			5	5		5	5	430	MH	I	184	
			Generate single investments graphs		5	5		5	5	430				
			Generate multiple investment graphs		5	5		5	5	430				
			Modify		5	5		5	5	430				
			Save		5	5		5	5	430				
			Retrieve		5	5		5	5	430				
			Copy		5	5		5	5	430				
			print		5	5		5	5	430				
		Risk/Reward Scatterplot			5	5		5	5	430	MH	I	184	
			Generate single investment graphs		5	5		5	5	430				
			Generate multiple investment graphs		5	5		5	5	430				
			Modify		5	5		5	5	430				
			Save		5	5		5	5	430				
			Retrieve		5	5		5	5	430				
			Copy		5	5		5	5	430				
			print		5	5		5	5	430				
		Correlation Matrix			5	5		5	5	430	MH	I	184	
			Generate single investments		5	5		5	5	430				
			Generate multiple investments		5	5		5	5	430				
			Modify		5	5		5	5	430				
			Save		5	5		5	5	430				
			Retrieve		5	5		5	5	430				
			Copy		5	5		5	5	430				
			print		5	5		5	5	430				
		Pie Chart			5	5		5	5	430		I	185	
			Generate single investments		5	5		5	5	430				
			Generate multiple investments		5	5		5	5	430				
			Modify		5	5		5	5	430				
			Save		5	5		5	5	430				
			Retrieve		5	5		5	5	430				
			Copy		5	5		5	5	430				
			print		5	5		5	5	430				
Advisor-to-institution information sharing														
	view - advisors should be able to view information about the institutions who produce offerings within MorningstarAdvisor.com									0				
		institutional information (VTS -institutional mini-sites)			5	3		5	1	316				
	connect to advisors should be able to connect to institution Web sites									0				
	alerts/notifications											I		
		3rd party site changes - users could be able to track 3rd party sites and receive notifications when those changes occur			3	3		3	1	230				high user value
			archive/save - users should be able to archive/save their alerts		3	5		5	1	316				
			set up/subscribe to - users should be able to determine what 3rd party sites they want to receive alerts on		3					87				
			setup frequency - users should be able to set up how often they want to receive alerts		3					87		I	19	
			view - users should be able to choose through what media they want to receive alerts		3	3		3	3	268				
				e-mail	5	5		5	5	430		I	17	
				pagers	1	1		1	1	86				
				PDAs	1	1		1	1	86				low user value

Morningstar Advisor Features

Research Domain

Investment Research Subdomain

instant messaging	1	1		1	1	88				
Fax	1	1		1	1	88				
Voice mail	1	1		1	1	88				
messages from 3rd parties - users could be able to receive messages from 3rd party sites	3	2		5	3	257				
Intra-advisor information sharing										
communicate - advisors in different firms should be able to communicate to each other						0				
bulletin boards - advisors in different firms should be able to user bulletin boards to communicate with each other	5	1		3	5	286	MH	I	88, 89	low user value
alerts/notifications users can assign alerts so that they are notified to changes in bulletin boards they are monitoring								I		
bulletin board postings	3	3		3	1	230				
archive/save - users should be able to archive/save their alerts	3	5		5	1	316				
setup/subscribe to - users should be able to determine which bulletin boards they want to track	3					87				
set up frequency - users should be able to setup how often they want to receive alerts	3					87		I	19	
view - users should be able to chose through what media they want to receive alerts	3					87				
e-mail	5	5		5	5	430		I	17	
pagers	1	1		1	1	88				
PDAs	1	1		1	1	88				low user value
instant messaging	1	1		1	1	88				
Fax	1	1		1	1	86				
Voice mail	1	1		1	1	86				
chat - advisors should be able to use chat rooms to communicate						0		II		
instant messaging - the site could incorporate instant messaging as a feature so that groups can communicate with each other; with advisors	1	1		1	4	128				not necessary business value, user value
with guests (industry thought leaders)	5	5		4	4	402				
						0				
with M* - advisors could use instant message to communicate with Morningstar	1	1		5	1	142				
feedback						0				
help						0				
with other advisors (see chat) - advisors could use instant message to communicate with other advisors	1	1		5	4	184				
with clients - advisors could use instant message to communicate with their clients	1	1		5	1	142				
host						0				
advisor sites - Morningstar could host advisor sites so that clients could have more direct access to their advisors						0		II	134	
submit - advisors could be able to submit the following information to MorningstarAdvisor.com						0				
static content (could happen on bulletin board)	3	1		3	3	200				
ratings - advisors could provide their own personal ratings on investments	3	1		3	1	172				
opinion (polls) (could be accomplished through bulletin board)	3	2		4	3	243				
view - advisors could be able to submit the following information to MorningstarAdvisor.com						0				
static content (could happen on bulletin board)						0				
ratings - advisors could provide their own personal ratings on investments						0				
poll results (could be accomplished through bulletin board)						0				

Research Domain

Industry Research Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Prior	Disc Phase	Disc #	Notes
Services for hire - advisors and other professional could place ads for services they offer to other advisors																	
	view																
		marketplace service aggregation - want ads						2	3		3	2	215				
	print																
Job listings - firms and institutions could place Help Wanted ads																	
	view																
		job listings						2	3		3	3	229				
	print																
Referrals - Morningstar would connect retail investors to advisors																	
	refer												0		II	87	
		retail customers to advisors											0				

Operational Research and Continuing Education Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Prior	Disc Phase	Disc #	Notes
Practice management education																	
	educate/learn/train - users should be able to participate in courses that help them improve their business												0				
		M* investment methodology						5	5		5	5	430	MH	I	113	
		educational articles						5	5		5	3	402				
			view										0				
				technical reviews									0	MH	I	145	
				best practices									0	MH	I	146	
				compliance									0	MH	I	147	
		links to professional sites (how)											0	MH	I	148	
		calendar of events						3	2		3	3	229				
Integrated event hosting																	
	participate - users should be able to participate in online events with industry thought leaders and specialists												0				
		online events (see chat w/guests, enhanced chat)											0	MH	I	94	
Distance learning																	
	educate/learn/train												0				
		distance learning courses (interactive, click2learn)						3	3		3	2	244	mh	I	143	
		certification courses						3	3		3	2	244				

Recommend Domain

The Recommend domain includes features that enable advisors to

- Analyze client and investment information.
- Create powerful, informed, and timely recommendations
- Present these recommendations in ways that suit the specific needs of their clients

Three subdomains make up the Recommend domain:

Opportunity qualification

- Information and tools that allow advisors to evaluate a client's current financial situation
- Information and tools that allow advisors to prepare for the recommendation process by performing asset allocation and portfolio creation

Recommendation generation

- Information and tools that allow advisors to research and select investment offerings appropriate for their client's specific situation

Recommendation presentation

- Information and tools that allow advisors to communicate their proposed investment strategy to their clients, in a way that enables effective, informed decision making.

Opportunity qualification features

State assessment

Advisors would able to assess their clients in two ways:

- Assess client's risk tolerance
- Assess client's financial goals

Asset allocation

Advisors would be able to create a financial plan that reflects their client's risk tolerance and goals, including the ability to create customized asset allocations.

Portfolio creation

After advisor have presented recommendations to the client and have received client sign-off, they would be able to create a real portfolio for their client. Advisors would be able to

- Create multiple client portfolios
- Create scheduled and unscheduled portfolios
- Allocate holdings to portfolios by
  - Percentage
  - Market value
  - Shares
- For scheduled portfolios, create systematic holding schedules

Recommendation generation features

Recommendation allows advisors to research and select investment offerings appropriate for their client's specific situation.

Client research

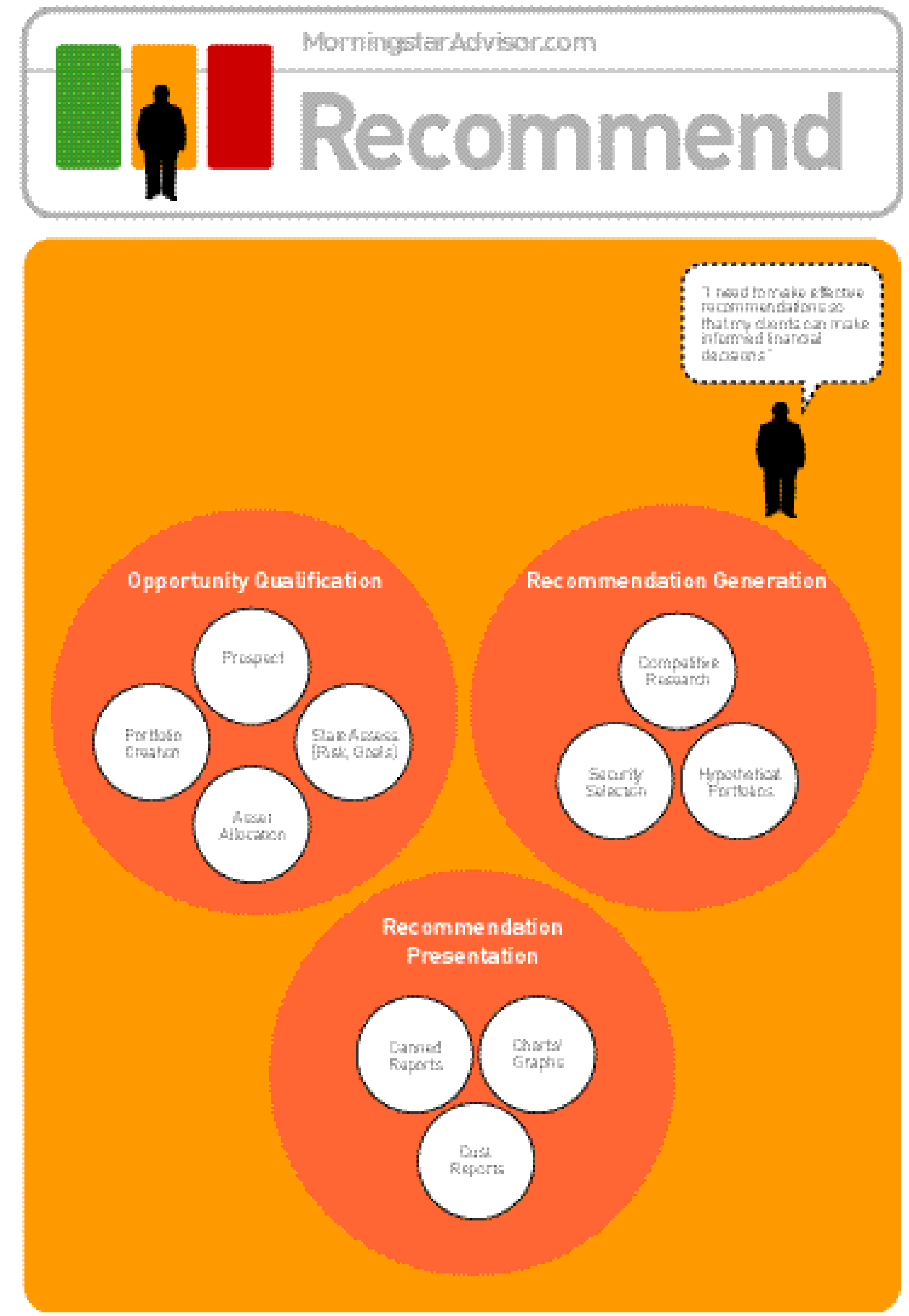
Some clients may already have investments that are not under their advisor's control. Others have complicated tax considerations or may be facing a life change such as a new child or divorce. Client research is really investment research that is targeted to a client's unique situation. The topics that may be researched, however, may lie outside of the context of "investment research," for example, tax information.

Security selection

Security selection is the process of choosing investment offerings appropriate for their client's specific situation.

Hypothetical portfolios

Part of the process of generating recommendations is seeing how new investment offerings would work with the client's existing holdings from a historical performance, risk, and diversification standpoint. Hypothetical portfolios would offer a quick way of understanding how new and existing investments would mix. This exercise also helps advisors set client expectations about how a portfolio should perform.



Recommend Domain

Recommendation presentation features

Canned reports

A set of unmodifiable informational layout views would be available.

Customized reports

A set of modifiable informational layout views would be available.

Charts/Graphs

Visual representations of data, such as graphs and tables, are useful, especially if they can be exported to other programs.

Exporting information (reference Support domain)

In addition to Principia reports, advisors use several tools to present information to clients, including Excel and PowerPoint. The ability to export data from the site to these applications would be valuable to advisors.

Feature opportunities

The following feature could be added to MorningstarAdvisor.com in the future:

Prospecting

The ability for advisors to track the status of clients they are trying to attract and the ability to track communications with those "prospective" clients are valuable features that advisors currently use other tools to accomplish, including ACT. and Goldmine.

Recommend Domain

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers 29 and 14 beneath the column headings indicate the relative weighting of each point of view.

Opportunity Qualification Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Priority	Disc Phase	Disc #	Notes
Prospect state assessment																	
	assess - advisors should be able to perform risk assessments and goal assessments for clients							5	5		5	5	430				
		risk tolerance - advisors should be able to assess client's risk tolerance						5	5		5	5	430	MH	I	155	
			complete questionnaire					5	5		5	5	430	MH	I	156	
			output risk profile					5	5		5	5	430	MH	I	157	
		goals - advisors should be able to determine client's financial goals						5	5		5	5	430	MH	I	158	
			complete questionnaire					5	5		5	5	430	MH	I	159	
			output goal profile					5	5		5	5	430	MH	I	160	
Asset allocation																	
	create - advisors should be able to create asset allocation plan for clients							5	5		5	5	430	MH	I	162, 163, 175, 176	final requirements for asset allocation TB
Portfolio creation																	
	create portfolios - users should be able to create portfolios (scheduled, unscheduled, hypothetical)							5	5		5	5	430	MH	I	187, 188, 189	
		client name - users should be able to organize portfolios under client names						5	5		5	5	430				
		multiple portfolios for one client - users should be able to create multiple portfolios for one client						5	5		5	5	430				
		scheduled portfolio - (real and hypothetical advisors should be able to create scheduled portfolio with systematic investments						5	5		5	5	430				
			add					5	5		5	5	430				
				holdings - users should be able to add holdings to portfolios				5	5		5	5	430			191	
					allocate - users should be able to allocate holding to portfolios by			5	5		5	5	430				
						by %		5	5		5	5	430				
						by market value		5	5		5	5	430				
						by shares		5	5		5	5	430				
						by equal %		5	5		5	5	430				
						by not equal %		5	5		5	5	430				
					assign			5	5		5	5	430				
						holding schedule - users should be able to assign hlding schedules to portfolios		5	5		5	5	430				
							schedule lump sum investments	5	5		5	5	430				
							schedule systematic investments	5	5		5	5	430				
							edit	5	5		5	5	430				
							overwrite	5	5		5	5	430				
						alerts - users should be able to assign alerts to holdings		5	5		5	5	430				
					edit			5	5		5	5	430				
						allocation - users should be able to edit holding allocations in portfolios		5	5		5	5	430				
					delete - users should be able to delete holdings from portfolios			5	5		5	5	430				
					move - users should be able to move holdings from one portfolio to another			5	5		5	5	430				
					report - users should be able to generate reports on portfolio holdings			5	5		5	5	430				
						transAction report		5	5		5	5	430				
						calendar figures report		5	5		5	5	430				
					track - users should be able to track holdings within portfolios			5	5		5	5	430				
						by shares		5	5		5	5	430				
						by dollars		5	5		5	5	430				

Recommend Domain

Opportunity Qualification Subdomain

		modify - users should be able to modify aspects of portfolios				5					146				
			holdings			5					146			192	
			portfolio			5					145				
		delete				5					145				
			holdings - users should be able to delete holdings from portfolios			5					145			193	
			portfolio - user should be able to delete entire portfolios			5					145				
		print - users should be able to print portfolio information				5					145				
		edit - users should be able to edit portfolio information				5					146				
		save - users should be able to save portfolio information				5					146				
		view - users should be able to view scheduled portfolio information				5					145				
	unscheduled portfolio (real and hypothetical aka snapshot profile) - users should be able to create unscheduled portfolios					5					145	MH	I	188, 189	
		assign benchmarks - users should be able to assign benchmarks to portfolios				5					145				
		add				5					145				
			holdings - users should be able to add holdings to portfolios			5					145				
				allocate - users should be able to allocate holding to portfolios by		5					146				
					by %	5	5		5	5	430				
					by market value	5	5		5	5	430				
					by shares	5	5		5	5	430				
					by equal %	5	5		5	5	430				
					by not equal %	5	5		5	5	430				
				edit		5					145				
					allocation - users should be able to edit holding allocations in portfolios	5					146				
				delete - users should be able to delete holdings from portfolios		5	5		5	5	430				
				move - users should be able to move holdings form one portfolio to another		5	5		5	5	430				
				report - users should be able to generate reports on portfolio holdings		5	5		5	5	430				
		modify - users should be able to modify aspects of portfolios				5					145				
			holdings			5					145			192	
			portfolio			5					146				
		delete				5					145				
			holdings - users should be able to delete holdings from portfolios			5					145			193	
			portfolio - user should be able to delete entire portfolios			5					145				
		save				5					145				
		view				5					145				
		graph				5					145				
apply											0				
	tax schemes - users should be able to apply tax information to client's portfolios										0				
delete - users should be able to delete portfolios						5					145				
export/download - users should be able to download portfolio information for use in other programs						5					145				
graph - users should be able to show visual representations of portfolio information (see recommendation: recommendation presentations)						5					146				
import/upload - users should be able to import/upload portfolio information from other programs						5					145				
name/rename - users should be able give names to portfolios						5					145				
print - users should be able to print portfolio information						5					145				

Recommend Domain

Recommendation Generation Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Priority	Disc Phase	Disc #	Notes
Client research - users should be able to perform research on investments specific to their customers																	
	see Research: Investment research subdomain																
Security selection - users should be able to use several tools to help them select securities that are right for their clients, including graphs, customized views of information, and portfolio creation																	
	see Research: Investment research subdomain																
Hypothetical portfolios - users should be able to create hypothetical portfolios to strategize on the best asset mix for their clients																	
	see Recommend: Opportunity Qualification: Portfolio creation																

Recommendation Presentation Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Prior	Disc Phase	Disc #	Notes
Canned reports - users can use fund detail views and portfolio views as reports to communicate with their clients																	
	report																
		allocation view/report - users should be able to display the allocation view as it exists in Principia						5	5		5	5	430	MH	I	225	
			customize - users should be able to customize the allocation view					5	5		5	5	430				
				layout				5	5		5	5	430				
					add			5	5		5	5	430				
						data columns		5	5		5	5	430				
					remove			5	5		5	5	430				
						data columns		5	5		5	5	430				
					rank/sort			5	5		5	5	430				
					save			5	5		5	5	430				
			view - within the allocation view, users should be able to see the following information					5	5		5	5	430				
				dollar value				5	5		5	5	430				
				# of shares				5	5		5	5	430				
				% allocations				5	5		5	5	430				
				detailed fund/stock reports				5	5		5	5	430				
				subasset classes				5	5		5	5	430	MH	I	162	
			graph - users should be able to graph information from within the allocation view					5	5		5	5	430				
				holdings (see holdings)				5	5		5	5	430				
		snapshot - users should be able to display the snapshot view as it exists in Principia						5	5		5	5	430	MH	I	226	
			view					5	5		5	5	430				
				benchmark comparison				5	5		5	5	430				
				composition				5	5		5	5	430				
				style and fundamentals				5	5		5	5	430				
				stock classification				5	5		5	5	430				
				fixed-income style				5	5		5	5	430				
				performance indicators				5	5		5	5	430				
		database - users should be able to display the database view as it exists in Principia						5	5		5	5	430	MH	I	227	
			customize - users should be able to customize the database view					5	5		5	5	430				

Recommend Domain

Recommendation Presentation Subdomain

				layout			5	5		5	5	430			
					add		5	5		5	5	430			
						columns	5	5		5	5	430			
					delete		5	5		5	5	430			
						columns	5	5		5	5	430			
					rank/sort		5	5		5	5	430			
					save		5	5		5	5	430			
			graph - users should be able to graph information from within the database view				5	5		5	5	430			
			view				5	5		5	5	430			
				common cross-universe information			5	5		5	5	430			
					save		5	5		5	5	430			
		alerts (see alerts)					5	5		5	5	430			
			generate				5	5		5	5	430			
				alerts report			5	5		5	5	430			
			print				5	5		5	5	430			
			view				5	5		5	5	430			
		stock overlap					5	5		5	5	430	MH	I	228
			customize				5	5		5	5	430			
				view			5	5		5	5	430			
				stock rank			5	5		5	5	430			
				display			5	5		5	5	430			
			view				5	5		5	5	430			
				underlying stock holdings ranked by % net assets			5	5		5	5	430			
			show				5	5		5	5	430			
				level of diversification			5	5		5	5	430			
		scheduled portfolios													
			report - users should be able to generate reports on portfolio holdings				5	5		5	5	430			
				transaction report			5	5		5	5	430			
				calendar figures report			5	5		5	5	430			
				scheduled portfolio view/report			5	5		5	5	430			
	print - users should be able to print portfolio information						5	5		5	5	430			
Customized reports - an undetermined number of customizable reports should be available															
		multidimensional reports										0		II	221
		Principia gaps report										0		II	223
Charts/graphs - users can also generate charts and graphs on investments and portfolios															
	graph portfolios - users should be able to show graphical view of portfolio information						5	5		5	5	430			
		Growth of $10K graph					5	5		5	5	430	MH	I	184
			Generate single investment graphs				5	5		5	5	430			
			Generate multiple investment graphs				5	5		5	5	430			
			Modify				5	5		5	5	430			
			Magnify				5	5		5	5	430			
			Save				5	5		5	5	430			
			Retrieve				5	5		5	5	430			
			Copy				5	5		5	5	430			
			print				5	5		5	5	430			
		Total Annual Rtn graph					5	5		5	5	430	MH	I	184
			Generate single investments graphs				5	5		5	5	430			
			Generate multiple investment graphs				5	5		5	5	430			
			Modify				5	5		5	5	430			
			Save				5	5		5	5	430			
			Retrieve				5	5		5	5	430			
			Copy				5	5		5	5	430			
			print				5	5		5	5	430			
		Risk/Reward Scatterplot					5	5		5	5	430	MH	I	184
			Generate single investment graphs				5	5		5	5	430			
			Generate multiple investment graphs				5	5		5	5	430			
			Modify				5	5		5	5	430			
			Save				5	5		5	5	430			

Recommend Domain

Recommendation Presentation Subdomain

	Retrieve				5	5	5	5	430			
	Copy				5	5	5	5	430			
	print				5	5	5	5	430			
Correlation Matrix					5	5	5	5	430	MH	I	184
	Generate single investments				5	5	5	5	430			
	Generate multiple investments				5	5	5	5	430			
	Modify				5	5	5	5	430			
	Save				5	5	5	5	430			
	Retrieve				5	5	5	5	430			
	Copy				5	5	5	5	430			
	print				5	5	5	5	430			
Pie Chart					5	5	5	5	430		II	186
	Generate single investments				5	5	5	5	430			
	Generate multiple investments				5	5	5	5	430			
	Modify				5	5	5	5	430			
	Save				5	5	5	5	430			
	Retrieve				5	5	5	5	430			
	Copy				5	5	5	5	430			
	print				5	5	5	5	430			
Rolling Per Rel graph					5	5	5	5	430	MH	I	184
	Generate single investment graphs				5	5	5	5	430			
	Modify				5	5	5	5	430			
	Magnify				5	5	5	5	430			
	Save				5	5	5	5	430			
	Retrieve				5	5	5	5	430			
	Copy				5	5	5	5	430			
	print				5	5	5	5	430			
Premium/Discount Graph					5	5	5	5	430	MH	I	184
	Generate single investments				5	5	5	5	430			
	Modify				5	5	5	5	430			
	Save				5	5	5	5	430			
	Retrieve				5	5	5	5	430			
	Copy				5	5	5	5	430			
	print				5	5	5	5	430			
scheduled portfolio graphs (graphs specific to scheduled portfolios only)					5	5	5	5	430			
		investment activity			5	5	5	5	430			
			modify		5	5	5	5	430			
				logarithmic/linear scale	5	5	5	5	430			
			copy to clipboard		5	5	5	5	430			
			print		5	5	5	5	430			
			view		5	5	5	5	430			
		risk/reward scatterplot			5	5	5	5	430			
			assign		5	5	5	5	430			
				benchmarks	5	5	5	5	430			
			create		5	5	5	5	430			
			modify		5	5	5	5	430			
				time period	5	5	5	5	430			
			copy to clipboard		5	5	5	5	430			
			print		5	5	5	5	430			
			view		5	5	5	5	430			
				standard deviation information	5	5	5	5	430			
				total return information	5	5	5	5	430			

Support Domain

The Support domain includes features that assist advisors in monitoring over their clients portfolios, as well as features that would help them maintain their own practice. The features in the Support domain also affect the management, publication, and distribution of information.

Two subdomains make up the Support domain:

Portfolio management

- Tools and information used to track and maintain individual client portfolios and advisor investment offerings.

Client/Practice management

- Tools and information to manage overall business practices.

Portfolio/Investment management features

Trade execution

Trade execution is the act of buying an investment that will be included in a client's portfolio.

Portfolio analysis

Advisors analyze two kinds of portfolios:

- Model portfolios that include the investments that advisors offer
- Clients' actual portfolios

Users would be able to, use tools such as the Morningstar Page to analyze a funds portfolio and view/reports such as the Snapshot view in Portfolio mode of Principia to analyze the composition, style categories, and risk ratings of client portfolios.

Portfolio and investment monitoring/rebalancing

Once advisors have established relationships with their clients, they need to watch these investments and, when necessary, make changes to portfolio allocations and compositions.

Advisors usually would reevaluate clients' portfolios on a scheduled, periodic basis or when clients experience major life changes (wedding, children, divorce, career changes). Depending on the trigger for the re-evaluation, advisors may go back to repeat the features in the Recommend domain.

Clients are also extremely sensitive to market fluctuations. In order to react effectively to clients' concerns, advisors need to track client portfolios, particular investments, and the market as a whole.

- Data notifications and alerts. Users would be able to indicate which investments or data elements within portfolios or investments (Morningstar rating, fund manager) they want to monitor. Alerts can be targeted toward individual investment, individual portfolios, clients, or the entire practice. When changes occur, the system would notify the user of the change.

Portfolio accounting

Portfolio accounting is the process of adjusting holdings information based on splits, dividend, etc. Users of MorningstarAdvisor.com will be able to perform portfolio accounting online.

Security profiles

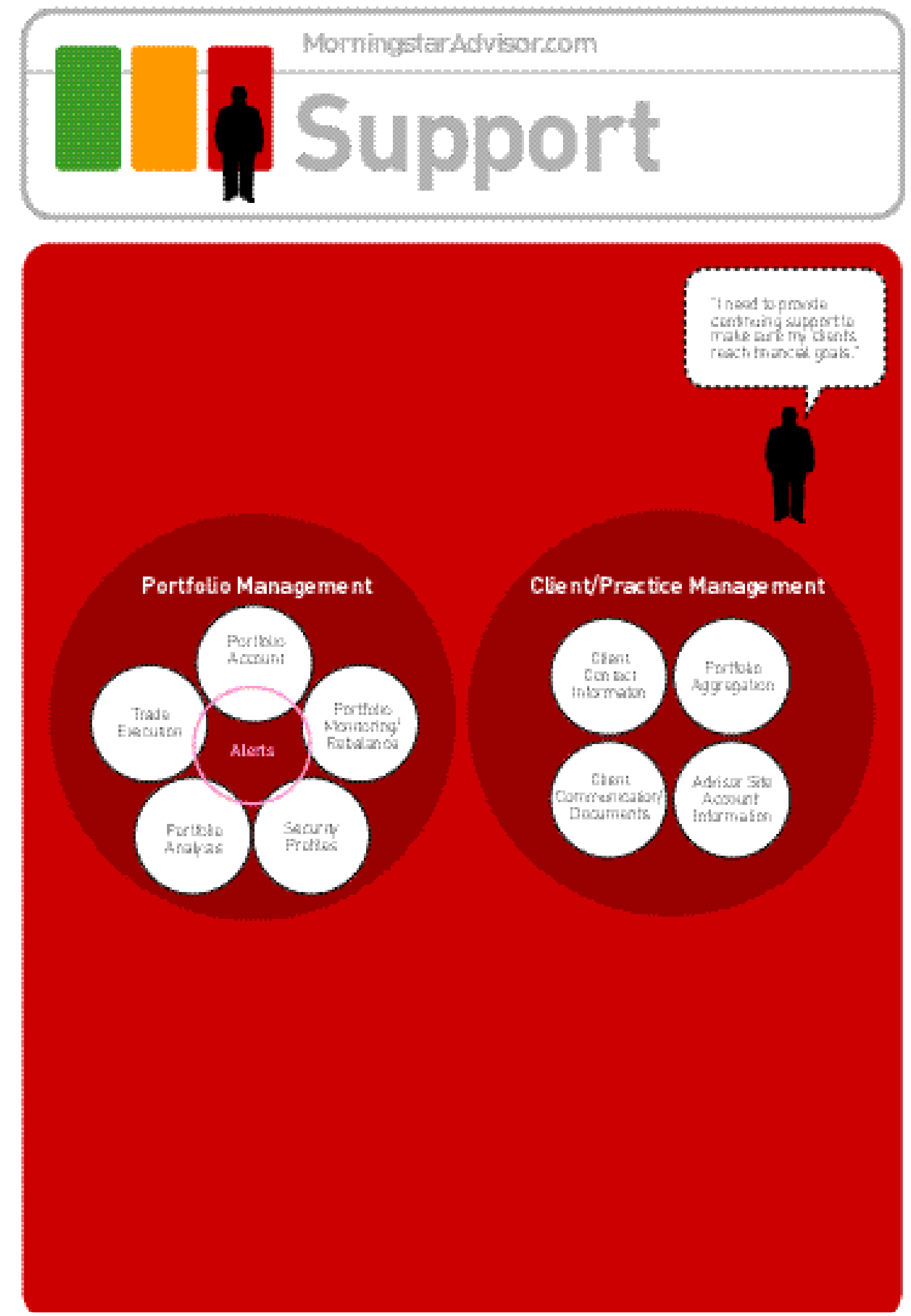
This includes reports that detail information about investments.

Client/Practice management features

Portfolio aggregation

The aggregation process of is essentially consolidates information from multiple portfolios so that advisors get a more complete picture of the status of their investments. Users would be able to aggregate

- On a client level (multiple portfolios)
- On a practice level (multiple clients with multiple portfolios)



Support Domain

Information management

- Users would have a central repository that contains information that they have saved.
- Users would be able to save information into their own personal area on the site. The following types of information can be saved:
  - Graphs and charts
  - Search criteria
  - Customized layouts
  - Alerts and notifications preferences
  - Investments that are being tracked
  - Reports

Information sharing

Advisors would share information within single advisor firms. Users would have the ability to publish information to all other members of their "advisor group" who have access to the site.

Exporting information

Advisors look to more than one source for their information. They often compare the data they have with many third-party data sources, not just Morningstar. In addition, they need to be able to incorporate external data with internal information and presentation tools. The data exportation feature would allow them save information in multiple formats, including

- Raw text
- Excel formats
- Up to three database formats

This feature is also useful for marketers who would want to incorporate positive information into marketing collateral for both internal and external communications (content selection for products).

User profile/account management

There are two types of accounts available for advisor users:

- The corporate/firm account/profile is essentially a super user account. It should contain the firm-level customizations individual user names within the account, their account information, and the terms and conditions of the sale.
- The individual advisor user account/profile, containing saved information and user preferences.

Site enablers

Site enablers are those underlying relationships, systems, and processes that support or make site features possible. There are two parts of site enablers

- Morningstar business management
- System/technical architecture

Morningstar business management

Morningstar business management refers to operational and fiscal issues related to day-to-day and long-term running of MorningstarAdvisor.com. It includes the following components:

- Partnerships
- Access terms and conditions
- Customer service
- Site operations
- Customer Behavior monitoring

System technical architecture

System architecture refers to underlying code structures that support site attractors. It includes the following components:

- Customization
- Content management system
- Site access
- Alert engine
- Calculation engine
- Report engine
- Data architecture
- Bulletin boards
- E-commerce
- Chat systems

Support Domain

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

• A rating of 5 indicates that the feature s a must have

• A rating of 1 indicates that the feature s a nice to have

The numbers 29 and 14 beneath the column headings indicate the relative weighting of each point of view.

Portfolio Management Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Priority	Disc Phase	Disc #	Notes
Trade execution - users should be able to finalize portfolio creation by transacting trades								5	5		5	5	430				
Portfolio accounting - users should be able to adjust holding information for stock splits and dividends								5	5		5	5	430				
Portfolio analysis - users should be able to use several tools (graphs, reports, comparisons, benchmarks) to understand what is happening to their portfolios								5	5		5	5	430				
	create portfolio reports - see Recommend domain: Recommendation generation - Canned & customized reports																
	graph portfolios - see Recommend domain: Recommendation generation - Charts/graphs							5	5		5	5	430				
	compare - users should be able to compare portfolios against benchmarks							5	5		5	5	430	MH	I	190	
		against benchmarks						5	5		5	5	430				
			assign - users should be able to assign pre-determined benchmarks to portfolios					5	5		5	5	430				
				preselected benchmarks				5	5		5	5	430				
			create					5	5		5	5	430				
				custom benchmark - users should be able to create custom benchmarks				5	5		5	5	430				
					combine			5	5		5	5	430				
						indexes		5	5		5	5	430				
						averages		5	5		5	5	430				
		before/after - users should be able to make before and after comparisons of portfolios											0	MH	I	204	
Portfolio monitoring and rebalancing - users should be able to use several mechanisms to monitor portfolios and make changes necessary to keep portfolios in line with users' investment goals																	
	alerts/notifications - users should be able to assign alerts to holdings within portfolios, individual portfolios, an individual client, and all the clients within their practice																
		Practice level alerts (can be handled through a dummy portfolio)						5	5		5	5	430	MH	I	234	
			archive/save - users should be able to archive/save their alerts					3	5		5	1	316				
			setup/subscribe to - users should be able to determine what data they want to receive alerts for					5	5		5	5	430	MH	I	231	
			setup frequency - users should be able to set up how often they want to receive alerts					5	5		5	5	430			19	
			view - users should be able to choose through what media they want to receive alerts					5	5		5	5	430				
				e-mail				5	5		5	5	430		I	17	
				pagers				1	1		1	1	86				
				PDAs				1	1		1	1	86				low user value
				Instant messaging				1	1		1	1	86				
				Fax				1	1		1	1	86				
				Voice mail				1	1		1	1	86				
		Client level alerts						5	1		5	5	314	MH	I	235	
			archive/save - users should be able to archive/save their alerts					3	5		5	1	316				
			setup/subscribe to - users should be able to determine what data they want to receive alerts for					5	5		5	5	430				
			setup frequency - users should be able to set up how often they want to receive alerts					5	5		5	5	430		I	19	
			view - users should be able to choose through what media they want to receive alerts					5	5		5	5	430				
				e-mail				5	5		5	5	430		I	17	
				pagers				1	1		1	1	86				
				PDAs				1	1		1	1	86				low user value
				Instant messaging				1	1		1	1	86				

Support Domain

Portfolio Management Subdomain

				Fax				1	1		1	1	86				
				Voice mail				1	1		1	1	86				
		Portfolio level alerts						5	5		5	5	430	MH	I	236	
			archive/save - users should be able to archive/save their alerts					3	5		5	1	316				
			setup/subscribe to - users should be able to determine what data they want to receive alerts for					5	5		5	5	430				
			setup frequency - users should be able to set up how often they want to receive alerts					5	5		5	5	430		I	19	
			view - users should be able to choose through what media they want to receive alerts					5	5		5	5	430				
				e-mail				5	5		5	5	430		I	17	
				pagers				1	1		1	1	86				
				PDAs				1	1		1	1	86				low user value
				Instant messaging				1	1		1	1	86				
				Fax				1	1		1	1	86				
				Voice mail				1	1		1	1	86				
		Holding level alerts						5	5		5	5	430	MH	I	237	
			archive/save - users should be able to archive/save their alerts					3	5		5	1	316				
			setup/subscribe to - users should be able to determine what data they want to receive alerts for					5	5		5	5	430				
			setup frequency - users should be able to set up how often they want to receive alerts					5	5		5	5	430		I	19	
			view - users should be able to choose through what media they want to receive alerts					5	5		5	5	430				
				e-mail				5	5		5	5	430		I	17	
				pagers				1	1		1	1	86				
				PDAs				1	1		1	1	86				low user value
				Instant messaging				1	1		1	1	86				
				Fax				1	1		1	1	86				
				Voice mail				1	1		1	1	86				
	modify portfolios - refer to Recommend: Opportunity Qualification - Portfolio creation																

Client/Practice Management Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Priority	Disc Phase	Disc #	Notes
Information management																	
	save							5	5		5	5	430				
		charts/graphs						5	5		5	5	430				
		search criteria						5	5		5	5	430				
		customized layouts						5	5		5	5	430				
		alerts and notifications						5	5		5	5	430				
		alerts and notification preferences						5	5		5	5	430				
		investments information						5	5		5	5	430				
		reports						5	5		5	5	430				
Portfolio aggregation																	
	aggregate							5	5		5	5	430				
		aggregated portfolio						5	5		5	5	430				
			view					5	5		5	5	430				
			save - users should be able to save aggregated portfolios					5	5		5	5	430				
Client information management - users should be able to enter and save address information for clients and save some types of client communications																	
	manage												0				
		address information						5	5		5	5	430	MH	I	123	

Support Domain

Client/Practice Management Subdomain

			create			5	5		5	5	430			
			save			5	5		5	5	430			
			view			5	5		5	5	430			
			edit			5	5		5	5	430			
	manage													
		client communications/documents				5	5		5	5	430			
			save			0	5		1	3	201			
			view			5	5		5	5	430			
			edit			5	5		5	5	430			
	send													
		articles to clients - users should be able to send articles to client (could be done via e-mail)				5	5		5	3	402	MH	I	124
		newsletters to clients									0			
		feedback - users would be able to send information to Morningstar									0			
			receive								0			
				M* newsletter (content on m*.com already)		4	4		4	3	330			
Advisor site account information														
	manage													
		advisor user account												
			log in			5	5		5	5	430	MH	I	4
			save			5	5		5	5	430			
			view			5	5		5	5	430			
			update			5	5		5	5	430			
				site access		5	5		5	5	430			
				terms & conditions		5	5		5	5	430			
				Payment structure		5	5		5	5	430			
			print			5	5		5	5	430			
		advisor user profile (customer & firm)										MH	I	6
			log in			5	5		5	5	430	MH	I	4
				Functionality		5	5		5	5	430		I	9
				Data		5	5		5	5	430		I	9
			save			5	5		5	5	430	MH	I	7
				Type of customer		5	5		5	5	430	MH	I	7
				Payment structure		5	5		5	5	430	MH	I	7
				Multiple past query structures		5	5		5	5	430	MH	I	7
			view			5	5		5	5	430			
			update			5	5		5	5	430			
			print			5	5		5	5	430			
		advisor firm account										MH	I	8
			log in			5	5		5	5	430	MH	I	
			manage			5	5		5	5	430			
				passwords		5	5		5	5	430			
					create	5	5		5	5	430			
					edit	5	5		5	5	430			
			save			5	5		5	5	430	MH =	I	7
			view			5	5		5	5	430			
			update			5	5		5	5	430			
			print			5	5		5	5	430			
		advisor firm profile										MH	I	8
			log in			5	5		5	5	430	MH	I	
			manage			5	5		5	5	430			
				passwords		5	5		5	5	430			
					create	5	5		5	5	430			
					edit	5	5		5	5	430			
			save			5	5		5	5	430	MH =	I	7
			view			5	5		5	5	430			
			update			5	5		5	5	430			
			print			5	5		5	5	430			
Advisor firm information sharing														
	publish - users should be able to publish their search criteria to other users within their firm					5	3		5	5	227			
	publish - users should be able to publish search results to other users within their firm					5	3		5	5	372			

Business Management

Site enablers

Site enablers are those underlying relationships, systems, and processes that support or make site features possible. There are two parts of site enablers

- Morningstar business management
- System/technical architecture

Morningstar business management

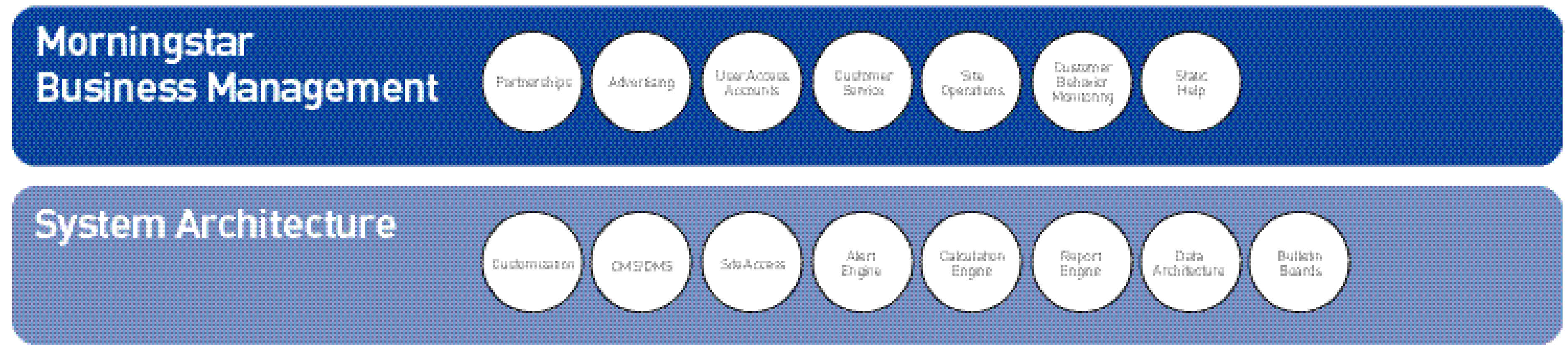
Morningstar business management refers to operational and fiscal issues related to day-to-day and long-term running of MorningstarAdvisor.com. It includes the following components:

- Partnerships
- Access terms and conditions
- Customer service
- Site operations
- Customer behavior monitoring

System technical architecture

System architecture refers to underlying code structures that support site attractors. It includes the following components:

- Customization
- Content management system
- Site access
- Alert engine
- Calculation engine
- Report engine
- Data architecture
- Bulletin boards
- E-commerce
- Chat systems



Business Management

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers 29 and 14 beneath the column headings indicate the relative weighting of each point of view.

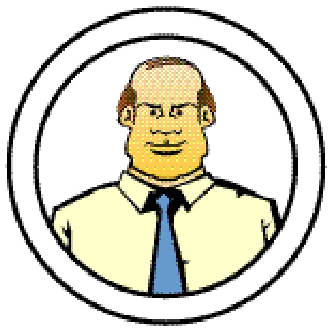
Morningstar Business Management

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 29	User 29	Tech 14	Brand 14	Mkt 14	Total 100	Disc Priority	Disc Phase	Disc #	Notes
Customer service - this refers to anything that helps users interact with the site succesfully																	
	process macros/wizards (move through workflow on site)							5	3		3	1	288		I	141	
	mandatry alerts/notifications- mandatory alerts are sent to all site users. (Implemenation as an alert is not mandatory; could be accomplished through email.)																
		M* broadcast messages						5	5		5	5	430				
		M* process alerts - changes to M* methodology						5	5		5	5	430			23	
		M* definition alerts (style boxes) -changes to M* data definitions						5	5		5	5	430			23	
		M* error alerts - Notifications of data errors/ corrections						1	5		3	2	244				
	static help													MH	I	27, 142	
	view												0				
		M* corporate info (reuse from current information)						5	5		5	5	430				
		legal info (new)						5	5		5	5	430				
Partnerships																	
	view												0				
		ads - ads should be available on MorningstarAdvisor.com						5	1		5	3	286				low value
	connect to												0				
		third party Web sites											0	MH	I	128	
		outsourced site functionality (e-commerce, FiTech, Click2learn)											0	MH	I	118	
Business development																	
	refer												0		II	27, 87	
		retail customers to advisors											0				
	sell												0				
		consumer footprint on Morningstar.com to advisors											0		II		
		advisor site access						5	5		5	5	430				
		educational materials											0				
		third party items (books)						5	2		3	2	273				
Customer behavior monitoring																	
	track												0				
		advisor client footprint on site											0		II	131	
		personalization											0		II	133	
		customization						5	4		1	1	289				

Section 4

Advisor User Scenarios

Scenarios are fictional representations of how someone might see a site, and of how the site might affect the way users perform certain tasks. For MorningstarAdvisor.com, Sapient has created two "day-in-the-life" stories: one for an independent advisor, the other for a captive advisor.

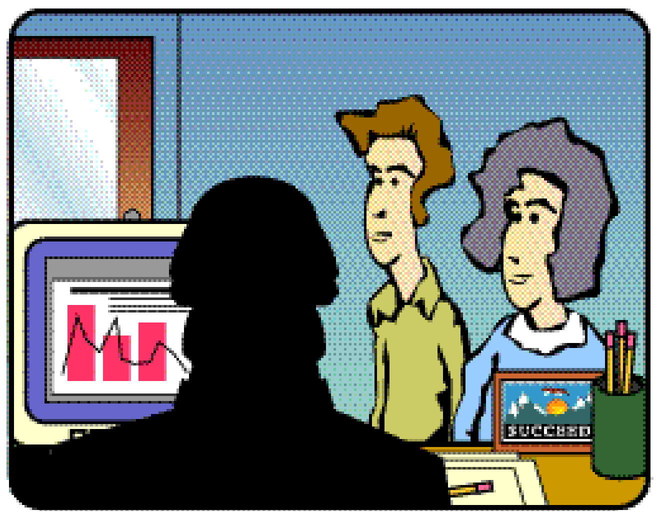


Charlie McCall

Charlie McCall put out his shingle, McCall Financial Advisors, nine years ago when he left his insurance salesman job at State Farm. He now heads an office of three advisors and two assistants. Charlie has long-term relationships with many of his clients, who are generally upper-middle-class baby boomers. Lately, they've had more money to spend and, as they age, they've been asking his advice about other areas of their lives: Where should our children go to college? Do we have enough money to retire?

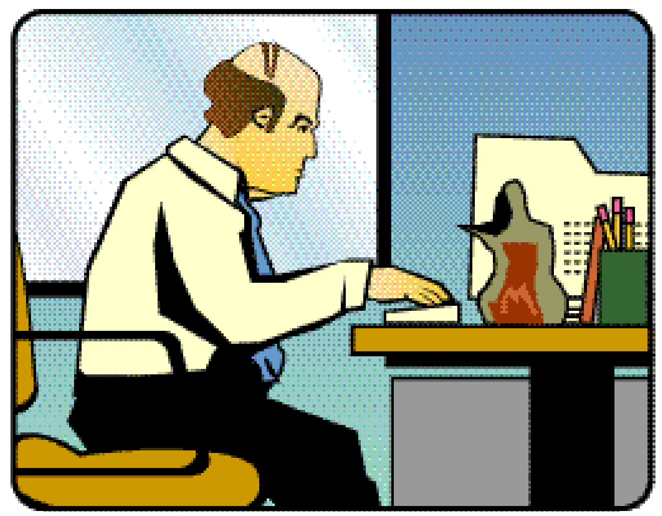
Benefits

- **Abundance of Morningstar information helps support recommendations.**
- **Export information to save valuable time previously spent entering data manually.**
- **Easily track and compare performance of favorite investments.**
- **Stay updated on industry trends.**
- **Remain competitive by taking convenient distance-learning courses.**



Scene 1

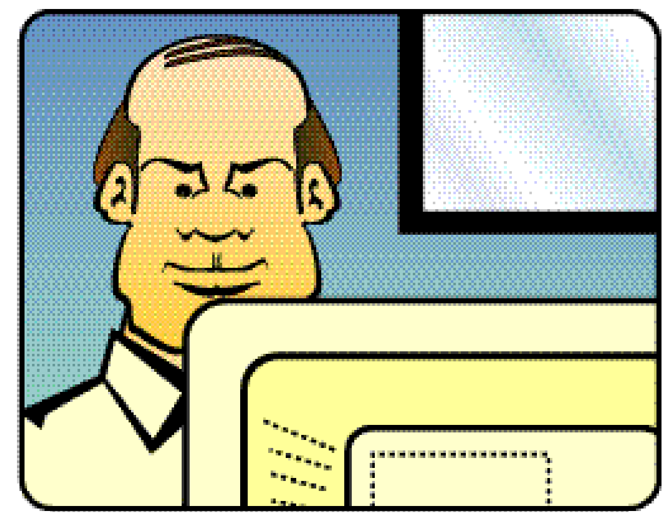
Charlie's first meeting of the day is with Mike and Janice Peterman, new clients and first-time investors. Charlie works with them to fill out a **risk-assessment questionnaire**, which he prints from MorningstarAdvisor.com. The assessment shows that they have a low risk tolerance, so, with help from **MorningstarAdvisor.com articles**, Charlie **explains the benefits** of investing in bonds and Blue Chip funds. Then, from **his model portfolio** on MorningstarAdvisor.com, he pulls up information about his three favorite Blue Chip funds and **plots a graph** showing their 15-year performance data. He successfully encourages Mike and Janice to choose the least volatile of the funds.



Scene 2

During lunch, Charlie works on his **quarterly online newsletter**. The new year has just passed, a good time to educate his clients about tax planning. Charlie searches through the **index of consumer articles** available on Morningstar.com. He finds a great article about capital gains tax laws, so he **creates a link** to it in his newsletter.

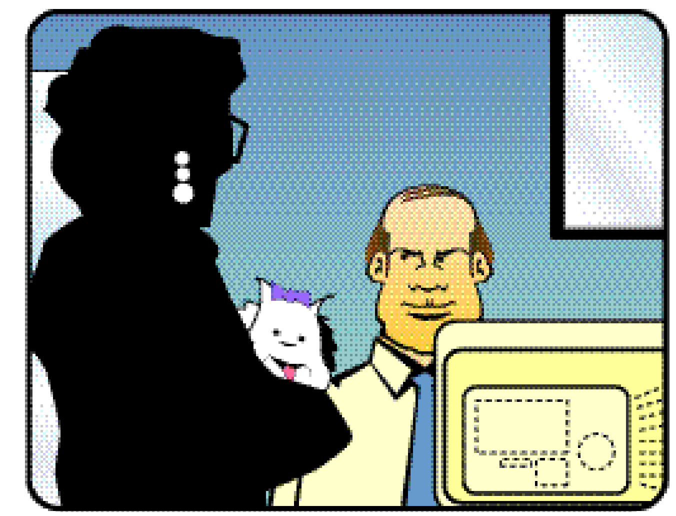
Every quarter, Charlie also highlights his **three top-performing funds**. From his portfolio on MorningstarAdvisor.com, Charlie quickly accesses this year's **rate of return data** for those funds. He **downloads this data** to his hard drive, from where he can paste it into his newsletter template.



Scene 3

One Janus fund in Charlie's list of favorites hasn't been performing well. Charlie formed a strong relationship with Janus, though, so he wants to **replace this fund** with another **Janus fund**. Charlie goes to Janus' page on MorningstarAdvisor's **Virtual Trade Show**, where he learns about three new Janus funds with the profile he wants.

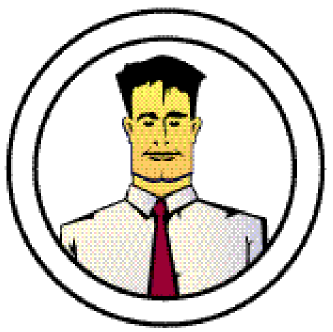
He researches Morningstar's **archives for articles** about these funds, and then looks at their **performance and profile information**. After he has selected a fund, Charlie exports the data from Morningstar to **create a report** justifying his decision to his partners.



Scene 4

Charlie's last appointment is at 6 p.m. June Ford is a wealthy middle-aged woman whom Charlie has **worked with for years**. June's husband, Paul, passed away six months ago, leaving her with over $2 million in assets. She needs **advice about Paul's investments**, and she mentions needing to **revise her will**.

Charlie has only a passing familiarity with estate planning, so he refers June to an attorney friend of his. When June leaves, Charlie signs up for a **distance-learning course** through MorningstarAdvisor.com that will teach him the ins and outs of wills, life insurance, and inheritance taxes. Next time he'll be **better prepared**.

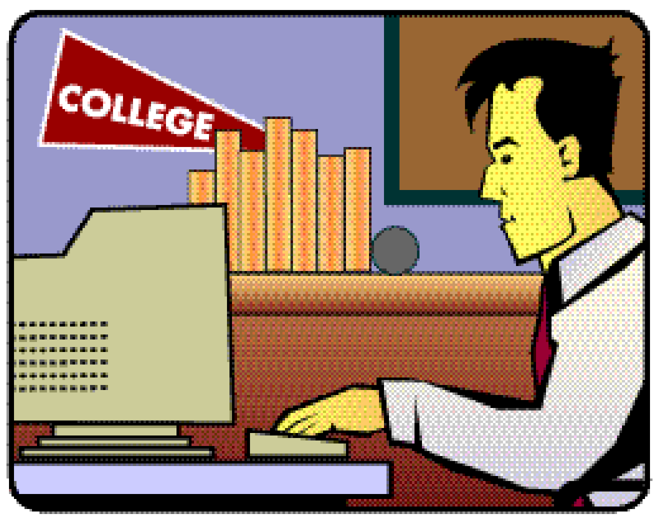


Dominic Giordano

Three years ago, Dominic Giordano joined Merrill Lynch as an investment counselor. It's his first job, and he's under tremendous pressure to perform well. To impress his boss, he focuses on selling his company's products. Most of his clients are like him—active, in their 20s or 30s, with high incomes.

Benefits

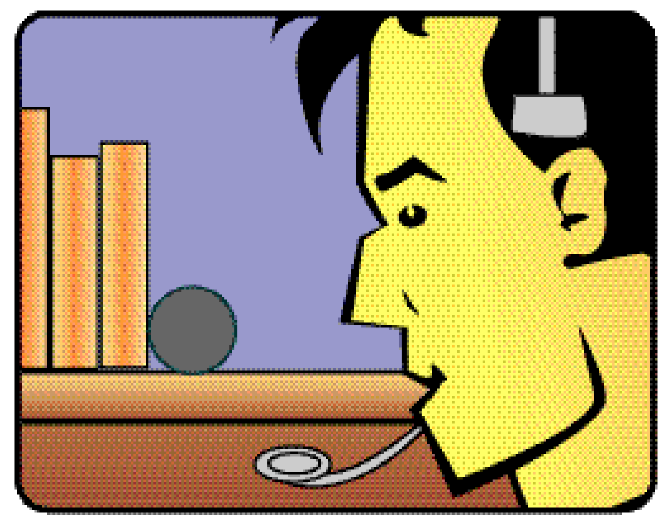
- **Simplify and streamline research with alerts.**
- **Access detailed competitive data.**
- **Respond quickly to customer concerns and requests.**
- **Support recommendations with attractive graphs and tables.**
- **Collaborate with other advisors.**



Scene 1

This morning, Dominic arrives early to study for an upcoming exam. He remembers seeing a related **study guide** on MorningstarAdvisor.com, so he logs in. For a small fee, he **downloads it to his hard drive**, where he'll look at it again later.

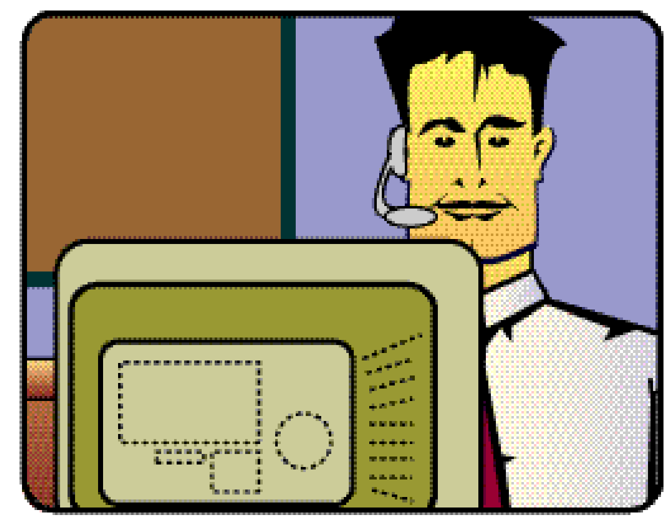
When Dominic checks his email, he finds a message telling him that Merrill's stock of the day is Home Depot. Dominic adds this stock to the list of **investments he tracks** on MorningstarAdvisor.com.



Scene 2

Next, Dominic researches yesterday's market activity. **Customized alerts** he set up on MorningstarAdvisor.com let him know that three competitive healthcare funds skyrocketed yesterday. Also, the **manager changed** at his top-selling international fund. He'll have to keep an eye on it, so he **updates the alerts** to notify him when the fund rises or falls more than 20% and when the fund's profile changes.

Dominic spends much of his time making and receiving **phone calls**. Yesterday's market fluctuations worried some of his clients. They **need reassurance** that Dominic is taking care of their investments.



Scene 3

Marcy Mason calls at 1 p.m. She has a $12,000 bonus she wants to invest. She'll need this money to buy a house, so Dominic knows to look for a **moderately conservative** investment. Unfortunately, Marcy has her heart set on a technology fund. Dominic **immediately checks MorningstarAdvisor.com** for data on the technology fund as well as a large cap fund that his company has been pushing lately.

On the site, he creates a **convincing graph** that demonstrates the volatility of the technology industry over the past 10 years. He **saves it, then emails it** to Marcy, along with statistics about the large cap fund. Marcy is **impressed** that Dominic gets his information from Morningstar because she visits Morningstar.com herself sometimes. Convinced, she goes with the large cap. Dominic's **boss will be pleased** with that sell.

Scene 4

After lunch (schmoozing with a wholesaler), Dominic **prepares** for his 3 o'clock. They're his first $100,000 clients, a young couple with two kids. Will they want to talk about their kids' college funds? That's new territory for Dominic. He'll have to research it. **What do other advisors do** in this situation?

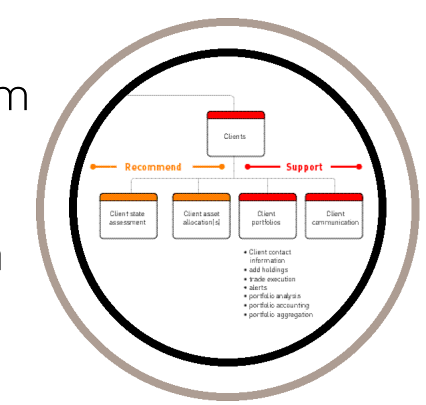
On MorningstarAdvisor.com, Dominic finds a **message board** about college saving. He reads through the postings and learns that most advisors use a moderate asset allocation for college funds. With that in mind, he returns to the Morningstar data, where he creates a couple of **hypothetical reports** using Merrill's preferred funds. With a few adjustments, Dominic creates a recommendation that he's confident will be **right for his clients**.

Dominic's day ends around 7 p.m. These 12-hour days are better than the 14-hour days he was working last year. Morningstar has really helped him use his time more efficiently.

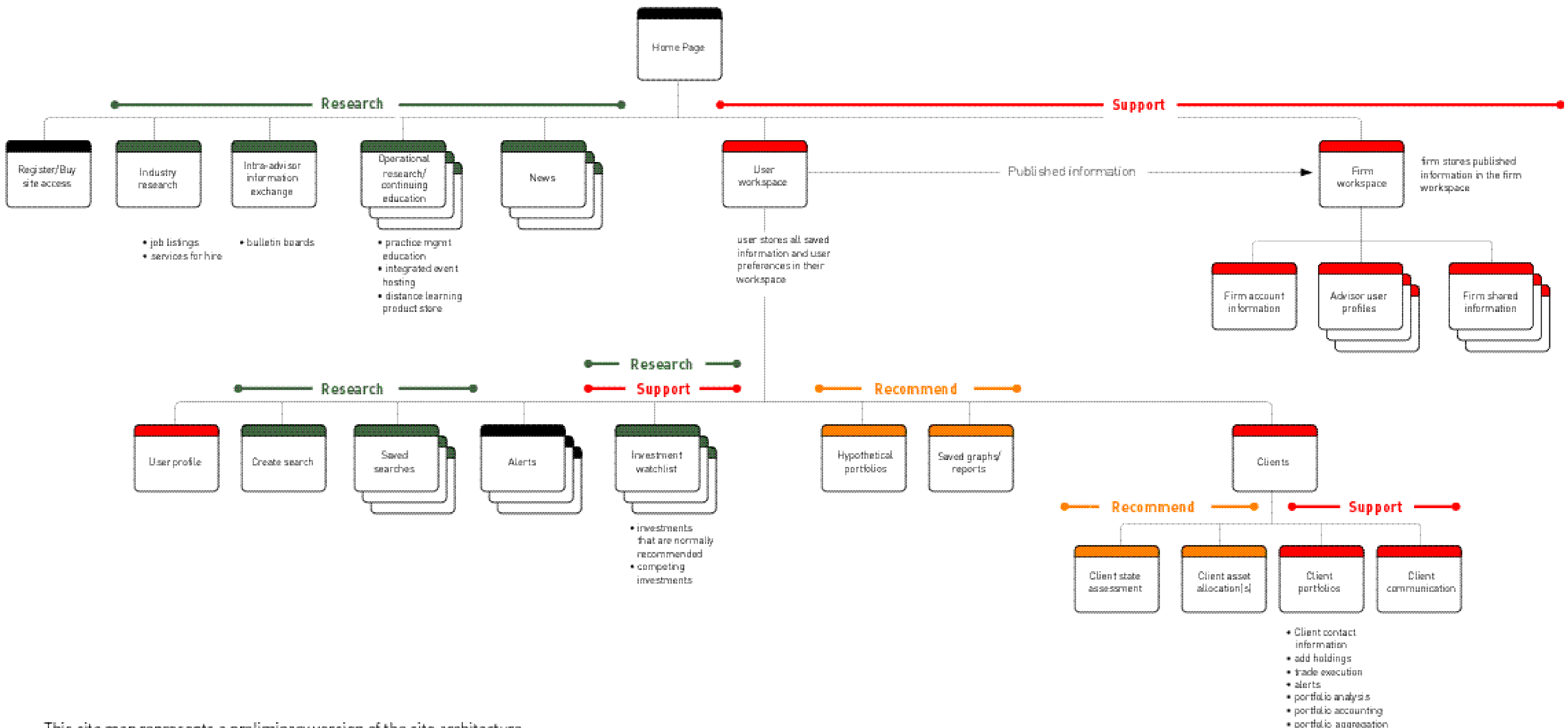
Section 5

Advisor Site Map

This site map provides a high-level idea of how MorningstarAdvisor.com might be organized at a high level. This version is preliminary; in design, Morningstar could expect a site map that drills further down in the site.



MorningstarAdvisor.com

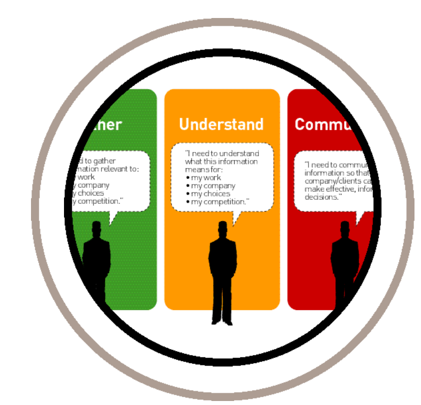


This site map represents a preliminary version of the site architecture.
It is only preliminary and should not be considered final.

Section 8

Institutional Features

An information architecture for a Web site begins with understanding the features of the site, how those features relate to each other, and how users would interact with those features.



Institutional Feature Domain Description

Site Benefits

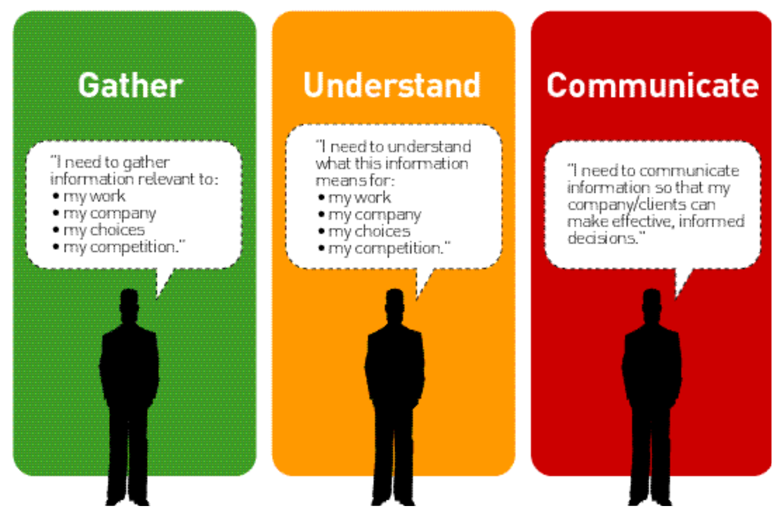
MorningstarInstitutional.com offer should the following benefits to its customers:

- Ability to save information digitally in your personal "Internet workspace" eliminates the need to find papers or other analog representations of data
- Access comprehensive Morningstar investment data, including:
  - Detailed historical statistics, which you can manipulate
  - Detailed expense and cash flow information
  - Morningstar categories
- Research new product opportunities
- Receive timely Morningstar data updates
- Set up customized alerts for information that is important to your work. Stay on top of:
  - Competitive quantitative data
  - Competitive organization changes
  - Investment style drift
  - Marketplace opinion of your investments
  - Marketplace opinion of your company
- Set up and save customized searches
- Set up customized time periods
- Set up and save customized information layouts so you can
  - Perform peer comparisons
  - Compare holdings
- Export data into multiple formats that more easily plugs into the tools you use
- Create graphs and tables of information to communicate information more clearly

MorningstarInstitutional.com

These diagrams are called feature domains. They represent high-level collections of features in MorningstarInstitutional.com that fulfill shared needs of Morningstar's institutional audiences.

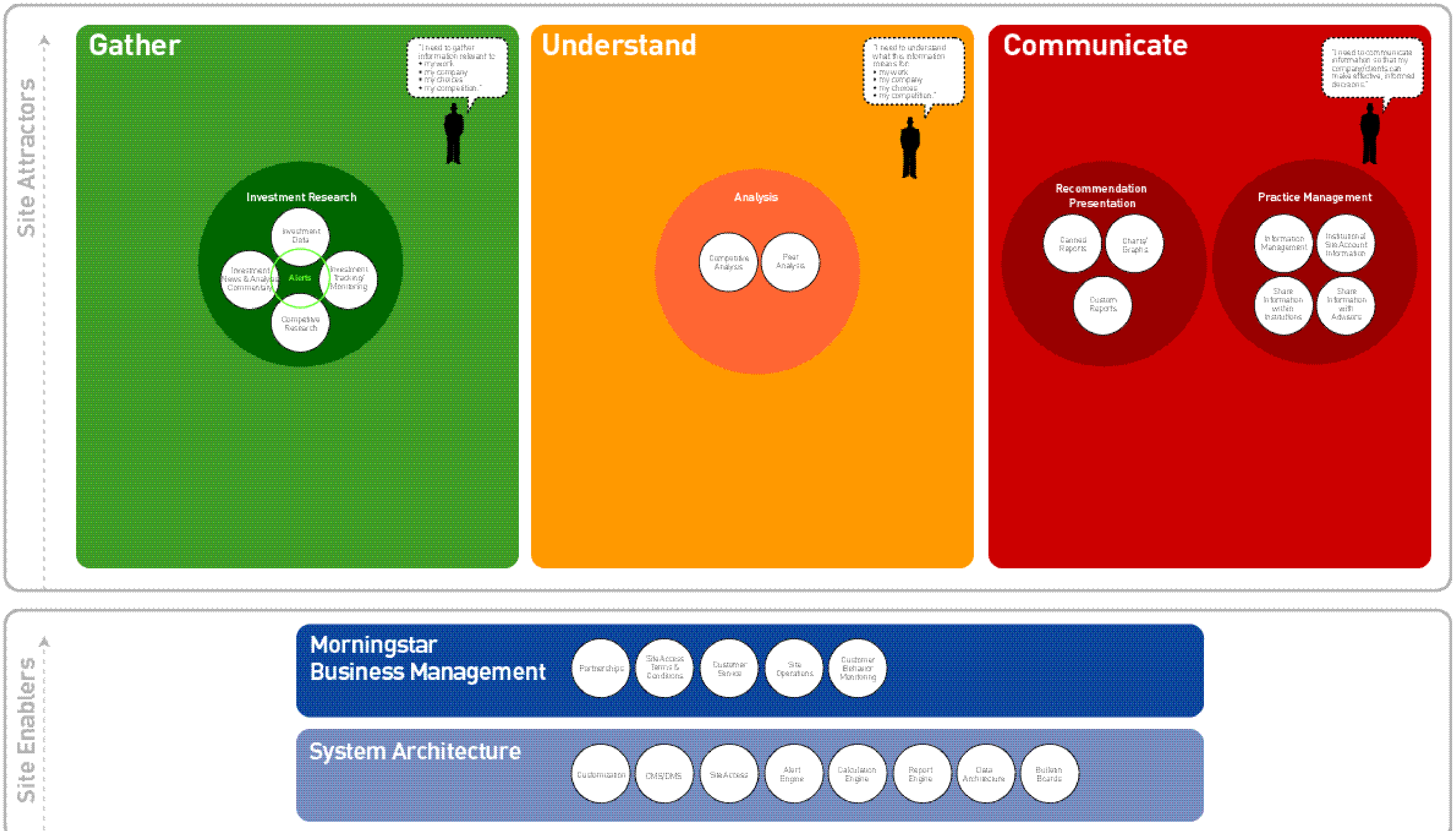
MorningstarInstitutional.com will focus on three main institutional audiences: investment managers; marketing communications professionals; and fiduciaries, which may include plan sponsors and boards of directors.



INSTITUTIONAL AREA OF WORK	DOMAIN
Seeking information from data sources.	Gather
Standardizing collected information/raw data so that points of understanding can be discerned.	Understand
Developing a point of view about raw data. Creating materials ad documents that communicate that point of view so that decisions can be made.	Communicate

Institutional Feature Domains

Each domain breaks down into gradually smaller groups of features, and eventually into discrete tasks. While these domains do not represent a hierarchy or navigational structure, they will provide the foundation for MorningstarInstitutional.com's information architecture.



Gather Domain

Definition

The Gather domain includes features that allow institutional audiences to access and collect information.

Creating various quantitative reports is a big part of investment managers' jobs, so they need to accumulate large amounts of information about their funds, their competitors' funds, and the market. Some of these reports are scheduled, but many come from spontaneous requests for information. Therefore, investment managers need to have as much information at their fingertips as possible. Also, because fiduciaries use these reports to make important decisions about the company's funds, it's critical that data be timely and accurate.

Marketing communications also spends time collecting information, although much of their data comes directly from investment managers. They "use" information to create a positive impression of their company, so they may also have interest in qualitative information, such as Morningstar commentary.

Fiduciaries, as a rule, would rarely use the Gather features. They rely on investment managers and marketing communications to provide the information they need to make decisions.

In general, institutional audiences gather the following investment-related information:

- Raw investment data pertaining to their own organization, their competitors, and other third parties
- Investment news, analysis, and commentary pertaining to their own organization and their competitors.

Supporting features

The following site features support the Gather domain

Investment data

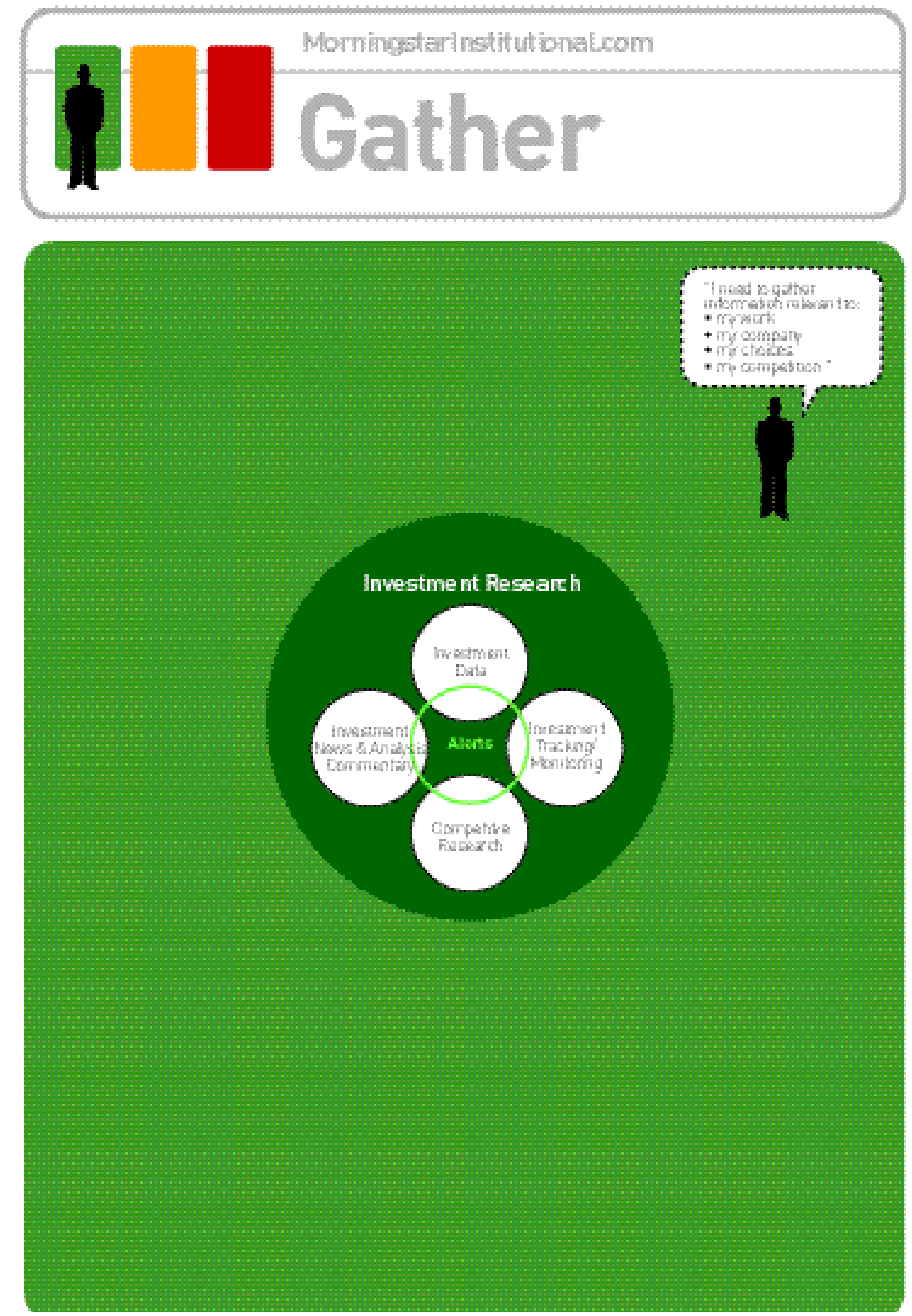
- Access to Morningstar mutual fund investment data, commentary, and analysis
- Access to detailed information about the investments tracked by Morningstar
- Data notifications and alerts. Users would be notified about the latest data changes on funds of their choice. Users would be able to indicate which funds or data elements within funds (Morningstar rating, fund manager) they want to monitor. When changes occur, the system would notify the user of the change.

Investment data layout customization

- Users would be able to create customized views of Morningstar mutual fund investment data similar to what is available in the Principia Research mode. Users would be able to
  - Determine the types of mutual fund categories (domestic stock funds, international stock funds, etc.) they want to display
  - Select the data elements (fund name, Morningstar category, Morningstar rating) they want to display
  - Set the order in which the data elements display
  - Sort the data displayed by the data elements they choose

Investment data search

- Search Morningstar mutual fund investment data
- Create complex searches using multiple operators, fields, conditions, and relational variables (and, or, not, less than, greater than, equal to) based on any data element
- Create and save search criteria
- Data notifications and alerts. Users would be notified about the latest data changes to the results of their search criteria. Users would be able to indicate which searches they want to monitor. When changes occur that affect the number of search for a given search, the system would notify the user.



Gather Domain

Investment commentary and news

Institutional users, particularly marketing personnel, need to know what is being said about them in the industry. They also need to be aware of industry trends. As a result, this feature would include:

- Access to Morningstar Mutual Fund Category Overviews
- Access to Morningstar Summary Sections mutual fund investment commentary
- Access to Morningstar Commentary Archive
- Data notifications and alerts. Users would be notified about the latest commentary and news that is relevant to them (what is being said about their business and their competitors). Users would be able to indicate "keywords" that they want to monitor. When new information is available containing these "keywords," the system would notify the user.

Investment tracking and monitoring

Institutional users, particularly fund managers, need to understand how their funds are performing in comparison to their competitors. Fund managers also need to be aware of new investments that they might want to include in their offerings. Therefore this feature would

- Track peer investments
- Track competitor investments
- Track your company's investments

It is understood that institutional users would not be using strict portfolio creation as it exists in Principia, but would need to be able to track and compare investments.

Exporting information

Institutional users look to more than one source for their information. They often compare the data they have with many third-party data sources, not just Morningstar. In addition, they need to be able to incorporate external data with internal information and presentation tools. The data exportation feature would allow them save information in multiple formats, including:

- Raw text
- Excel formats
- Up to three database formats

This feature is also useful for marketers who would want to incorporate positive information into marketing collateral for both internal and external communications (content selection for products).

Printing information

Users would be able to print information. The use of .PDF files and other tools would be used to maintain formatting.

Feature opportunities

The following features could be added to MorningstarInstitutional.com in the future.

Investment commentary and news

Currently, all Morningstar commentary is targeted to individual and professional investors. This commentary holds limited value to the institutional audience. The development of commentary targeted specifically to the institutional audience should be looked into as an option for this site.

Access to another databases, such as:

- Variable annuity/life
- Separate accounts
- Money market funds

Gather Domain

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers beneath the column headings indicate the relative weighting of each point of view.

Investment Research Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus	User	Tech	Brand	Mkt	Total	Disc Priority	Disc Phase	Disc #	Notes
								25	25	25	13	13	100				
Investment data																	
	view detail - users should be able to view detailed information about mutual funds																
		mutual fund detail - users should be able to access the following views of mutual fund information															
			view														
				holdings				5	5			1	262.5				portfolio
				Morningstar page				4	4			1	212.5				Geared toward institutional; could have institutional directed commentary
					magnify								0				
				Performance data				5	5			5	312.5				Not attribution
				Indexes									0				
				Morningstar categories				5	5			3	287.5				
				Basic Detail				5	5				250				
				Investment approach				5	5			5	312.5				
				Risk/Return profile				5	5			5	312.5				
				Basic performance				5	5			5	312.5				
				Growth of 10K graph				5	5			5	312.5				
				Portfolio				5	5				250				Apples to apples
				Composition graph				5	5			3	287.5				
				Stock statistics graph				5	5			3	287.5				
				Sector weightings graph				5	5			3	287.5				
					modify view			5	5			3	287.5				
				Regional exposure graph				5	5			5	312.5				
				Regional exp - history graph				5	5			3	287.5				
				Bond quality				5	5			5	312.5				
				Gov't bond statistics graph				5	5			5	312.5				
				Risk-Reward				5	5				250				
				Rolling return - graph				5	5			5	312.5				
					modify view			5	5				250				
					set custom time periods			5	5				250				
				Rolling return - table				5	5			5	312.5				
					modify view			5	5				250				
					set custom time periods			5	5				250				
				Rolling return - risk statistics table				5	5			5	312.5				
				Performance				5	5			5	312.5				
				Trailing periods graph				5	5			5	312.5				
					modify view			5	5				250				
					set custom time periods			5	5				250				
				Nominal vs real return graph				5	5			5	312.5				
					modify view			5	5				250				
					set custom time periods			5	5				250				
				Investment style table				5	5			1	262.5				
				History tables				5	5			5	312.5				
				History graphs				5	5			5	312.5				
				Total return graph				5	5			5	312.5				
					modify view			5	5				250				
					set custom time periods			5	5				250				
				Net assets relative to total return graph				5	5			5	312.5				
				Turnover graph				5	5			5	312.5				Buy & sell stocks
				Expense ratio graph				5	5			5	312.5				
				Expense ratio vs net assets graph				5	5			5	312.5				
				Analyses				5	3			1	212.5				non-compliance; may not be able to use if
				Analyst reviews				5	3			1	212.5				
				Manager profile				5	5			1	262.5				
				Category overview				5	5			3	287.5				
				Operations				5				5	187.5				
				Nuts & bolts				5	5			5	312.5				address, etc.

Gather Domain

Investment Research Subdomain

Fees & expenses	5	5			5	312.5				
print						0				
export						0				
alerts/notifications - users should be able to assign alerts to investment data										
data alerts - users should be able to assign alerts to investment data	5	5			3	287.5			18, 21	Thresholds; M* fund code or unique identifiers
setup/subscribe to - users should be able to determine for what data they want to receive alerts						0				
setup frequency - users should be able to set up how often they want to receive alerts						0			19	
view - users should be able to choose through what media they want to receive alerts						0				
e-mail	5	5			3	287.5	NTH	I	17	
pagers	3	3			2	175				
PDAs	3	3			2	175				
Instant messaging	3	3			2	175				
Fax	3	3			2	175				
Voice mail	3	3			2	175				
Web	5	5			1	262.5				
archive/save - users should be able to archive/save their alerts						0				
customize layout - users should be able to customize the display of research information similar to Principia research mode	5	5			5	312.5	MH	I	174 (Advisor)	Define level of
rank/sort						0				
Single variable - users should be able to rank/sort information on single variables	5	5			5	312.5				
Multiple variables - users should be able to rank/sort information on multiple variables	4	5			5	287.5				
filter - users should be able to filter investment data (within universes)	5	5			5	312.5				
search - users should be able to search investment data						0	MH	I	61	
criteria - users should be able to create their own customized search criteria						0				
create - users should be able to create their own customized search criteria	5	5			5	312.5	MH	I	66	
universe	5	5			5	312.5	MH	I	67, 68	
categories	5	5			5	312.5	MH	I	69	
data elements	5	5			5	312.5	MH	I	70	
preset parameters	5	5			5	312.5	MH	I	57	
custom calculations	5	5			5	312.5		II	59	
question format	3	3			3	187.5	NTH	I	62	
save/archive - users should be able to save search criteria	5	5			5	312.5	MH	I	72, 64	
edit - users should be able to edit search criteria	5	5			5	312.5	MH	I	72, 65	
publish - users should be able to publish search criteria to other users within their institution		4				100				
alerts/notifications										
Search criteria level alerts - users should be able to assign alerts to search criteria	5	5			1	262.5				Funds added or dropped for criteria
setup/subscribe to - users should be able to determine what criteria they want to receive alerts on						0				
setup frequency - users should be able to set up how often they want to receive the alerts						0			19	
view - users should be able to determine through which media they want to receive alerts						0				
e-mail	5	5			3	287.5	NTH	I	17	
pagers	3	3			2	175				
PDAs	3	3			2	175				
Instant messaging	3	3			2	175				
Fax	3	3			2	175				
Voice mail	3	3			2	175				
Web	5	5			1	262.5				
search results						0				
view - users should be able to view search results	5	5			5	312.5	MH	I	74	
export - users should be able to export search criteria into multiple formats	5	5			5	312.5				
rank/sort - users should be able to rank/sort search results						0	MH	I	78	See other rank/sort (136)

Gather Domain

Investment Research Subdomain

			update - users should be able to re-run searches and understand what has changed in the search results					5	5			5	312.5	MH	I	76	
Competitive research - users will be able to research competing offerings																	
	see investment data																
Investment commentary & news																	
	view - users should be able to view investment news and commentary																
		M* Summary sections						3	3			5	212.5				To MFB
		Morningstar Commentaries - Retail						3	3			5	212.5				
		Morningstar Commentaries - Institutional						4	5			5	287.5				
	alerts/notifications - users should be able to assign alerts to investment news and commentary																
		News & commentary alerts															
			archive/save - users should be able to archive/save their alerts														
			setup/subscribe to - users should be able to determine what data they want to receive alerts for														
			setup frequency - users should be able to set up how often they want to receive alerts														
			view - users should be able to choose through what media they want to receive alerts														
				e-mail													
				pagers													
				PDAs													
				Instant messaging													
				Fax													
				Voice mail													
	print - users should be able to print investment news and commentary																
Investment tracking and monitoring - users should be able to use several mechanisms to watch the performance of investments																	
	see also Investment data																
	create portfolios - users should be able to create portfolios																
		scheduled portfolio															
			add														
				holdings												191	
					allocate												
						by %											
						by market value											
						by shares											
						by equal %											
						by not equal %											
					assign												
						holding schedule											
							schedule lump sum investments										
							schedule systematic investments										
							edit										
							overwrite										
						alerts											
					edit												
						allocation											
					delete												
					move												
						from one portfolio to another											
					report												
						transaction report											
						calendar figures report											
					track												
						by shares											
						by dollars											
			assign														
				benchmarks													
			create														

Gather Domain

Investment Research Subdomain

		real portfolio			MH	I	189
		hypothetical portfolio			MH	I	188
	view						
	modify						
		holdings					192
		portfolio					
	delete						
		holdings					193
		portfolio					
	print						
	edit						
	graph						
		see graphs					
		Growth of 10K Stacked Bar Chart			MH	I	184
			Generate single investments				
			Generate multiple investments				
			Modify				
			Save				
			Retrieve				
			Copy				
			print				
		investment activity					
			modify				
				logarithmic/linear scale			
			copy to clipboard				
			print				
			view				
		risk/reward scatterplot					
			assign				
				benchmarks			
			create				
			modify				
				time period			
			copy to clipboard				
			print				
			view				
				standard deviation information			
				total return information			
	report						
		transaction report					
			print				
		calendar figures					
			modify				
				time period			
			print				
	save						
	view						
		schedule portfolio					
			generate				
				hypothetical illustrations			
			evaluate				
				estimated performance			
			graph				
			modify				
			printing				
unscheduled portfolio (aka snapshot portfolio)							
	assign						
		benchmarks					
	create						
		real portfolio			MH	I	189
		hypothetical portfolio			MH	I	188
	add						
		holdings (see holdings)					

Gather Domain

Morningstar Institutional Features

Investment Research Subdomain

				allocate				
				edit				
					allocation			
				delete				
		modify						
			holdings					192
		delete						
			holdings					193
		save						
		view						
		graph						
			see graphs					
			Growth of 10K Stacked Bar Chart			MH	I	184
				Generate single investments				
				Generate multiple investments				
				Modify				
				Save				
				Retrieve				
				Copy				
				print				
name/rename								
print								
report								
	online							38
		generate						
	canned reports							
		generate						
			20 Principia current reports					
	multidimensional						II	221
		print				MH	I	222
	portfolio views (portfolio snapshot)					MH	I	224
		print				MH	I	222
	Principia gaps						II	223
		print				MH	I	222
save								
view								
	allocation					MH	I	225
		customize						
			layout					
				add				
					data columns			
				remove				
					data columns			
				rank/sort				
				save				
		view						
			dollar value					
			# of shares					
			% allocations					
			detailed fund/stock reports					
			subasset classes			MH	I	162
		graph						
			holdings (see holdings)					
	scheduled portfolio (see scheduled portfolio)							
	snapshot					MH	I	226
		view						
			benchmark comparison					
			composition					
			style and fundamentals					
			stock classification					
			fixed-income style					
			performance indicators					

Gather Domain

Investment Research Subdomain

	database											MH	I	227	
		customize													
			layout												
				add											
					columns										
				delete											
					columns										
				rank/sort											
				save											
		graph													
		view													
			common cross-universe information												
				save											
	alerts (see alerts)														
		generate													
			alerts report												
		print													
		view													
	stock overlap											MH	I	228	
		customize													
			view												
			stock rank												
			display												
		view													
			underlying stock holdings ranked by % net assets												
		show													
			level of diversification												
alerts/notifications - users should be able to assign alerts to funds they are monitoring											0				
	Portfolio level alerts - users should be able to assign alerts to entire portfolios					5	5			1	262.5				
		setup/subscribe to									0				
		setup frequency									0			19	
		view									0				
			e-mail			5	5			3	287.5	NTH	I	17	
			pagers			3	3			2	175				
			PDAs			3	3			2	175				
			Instant messaging			3	3			2	175				
			Fax			3	3			2	175				
			Voice mail			3	3			2	175				
			Web			5	5			1	262.5				
				archive							0				
	Holding level alerts - users should be able to assign alerts to holdings within portfolios					5	5			1	262.5				investments
		setup/subscribe to									0				
		setup frequency									0			19	
		view									0				
			e-mail			5	5			3	287.5	NTH	I	17	
			pagers			3	3			2	175				
			PDAs			3	3			2	175				
			Instant messaging			3	3			2	175				
			Fax			3	3			2	175				
			Voice mail			3	3			2	175				
			Web			5	5			1	262.5				
				archive							0				
aggregate - users should be able to aggregate portfolios															
	aggregated portfolio														
		view													
		save													
assign benchmarks - users should be able to assign benchmarks to investments they are monitoring															
	benchmarks														
compare - users should be able to compare investments against benchmarks												MH	I	190	
	against benchmarks														

Gather Domain

Investment Research Subdomain

			assign														
				preselected benchmarks													
			create														
				custom benchmark													
					combine												
						indexes											
						averages											
		before/after												MH	I	204	
	create															187	
		portfolio names - users should be able to name portfolios															
		multiple portfolios - users should be able to create multiple portfolios															
	export - users should be able to export information into multiple formats							5	5			3	287.5				Define types of exporting & revisit (Non-simple exports graphs)
				Text Format									0	MH	I	11	
				Database Format (3 max)									0	MH	I	12	
				Excel Format									0	MH	I	13	
				Other Formats									0	NTH	II	14	
	print - users should be able to print information							5	5			5	312.5	MH	I	222 (Advisor)	

Understand Domain

The Understand domain includes features that help users analyze the information they have gathered so that it becomes relevant to their work.

Supporting features

Competitive analysis and peer analysis

The ability to compare the same data points across investments is essential to understanding relative market position of offerings and investments. The site would offer tools that allow users to compare data points across investments within the same universe. Methods for comparing data include

- Creating charts/graphs (reference Communicate domain)
- Performing data calculations
- Customizing the time frames the analysis covers

Exporting information (reference Gather Domain)

Feature opportunities

The following features could be added to MorningstarInstitutional.com in the future.

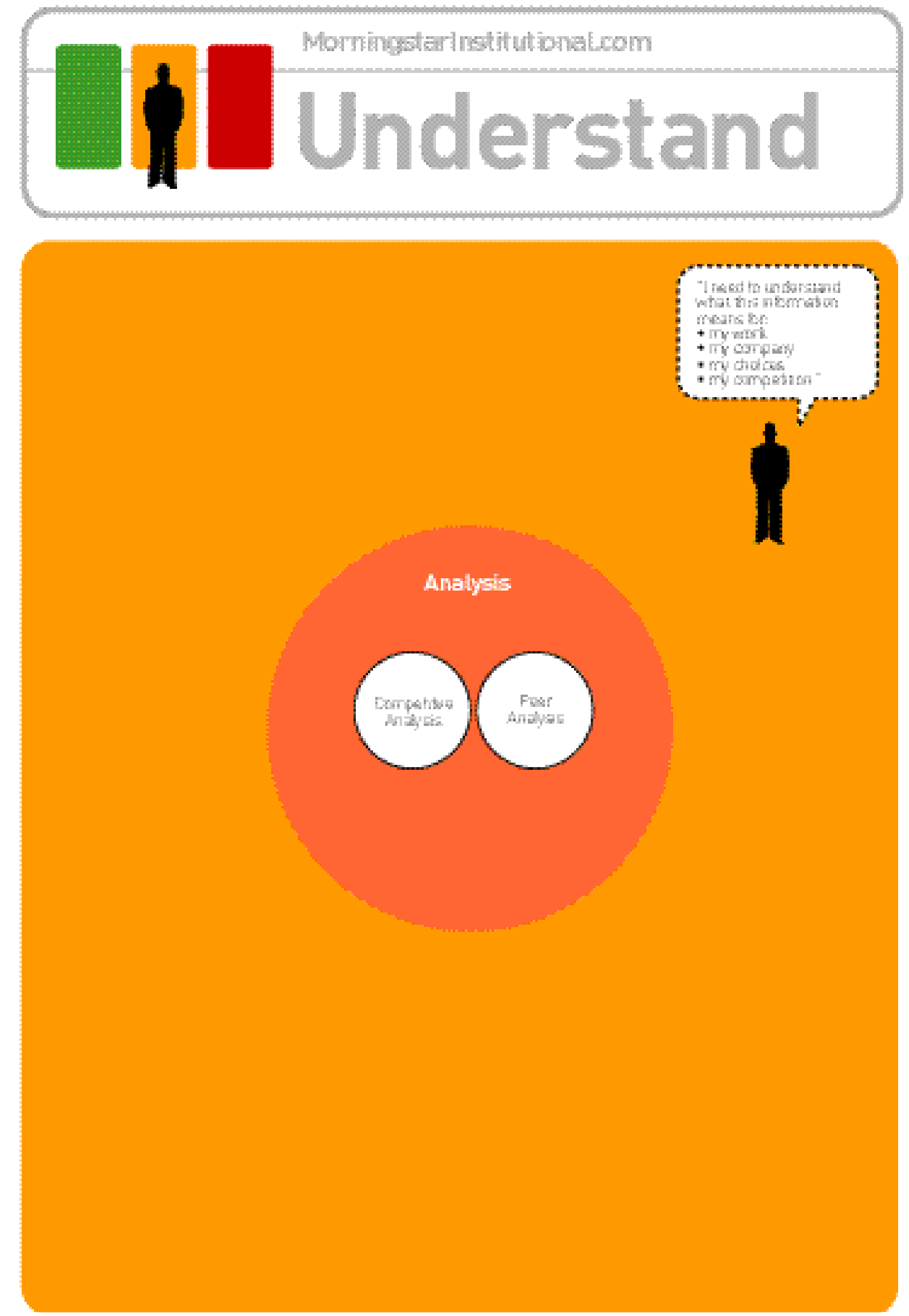
Comparing Morningstar data with other data sources

Institutional users look to more than one source for their information. They often compare the data they have with many third party data sources, not just Morningstar.

A significant amount of institutional users time is spent standardizing this information so that they can begin analysis. An offering that expedite this process would have high user value.

Attribution analysis

Holdings-based attribution will provide a unique tool for institutions trying to better understand what drives their performance and their relative performance.



Understand Domain

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers beneath the column headings indicate the relative weighting of each point of view.

Analysis Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus	User	Tech	Brand	Mkt	Total	Disc Priority	Disc Phase	Disc #	Notes
								25	25	25	13	13	100				
Competitive analysis/peer analysis - users will be able to use several mechanisms to perform competitive/peer analysis (charts, reports, benchmarks)																	
	compare within same universe - users should be able to compare data elements of investments within the same universe							5	5			5	312.5	MH	I	190 (Advisor)	
	compare across universes - users should be able to compare common data elements of investments across universes							3	4			1	187.5	MH	I	190 (Advisor)	?
	calculate - users should be able to perform calculations on investment data												0				actual calculations tbd
		calculation tbd											0				
			save					5	5			5	312.5				For all calculations
	report/views - users should be able to view and print the following Principia reports																
		allocation view - users should be able to access an allocation view similar to Principia												MH	I	225	
			customize														
				layout													
					add												
						data columns											
					remove												
						data columns											
					rank/sort												
					save												
			view														
				dollar value													
				# of shares													
				% allocations													
				detailed fund/stock reports													
				subasset classes										MH	I	162	
		scheduled portfolio (see scheduled portfolio) view - users should be able to access a scheduled portfolio view similar to Principia															
		snapshot view - users should be able to access a snapshot view similar to Principia												MH	I	226	
			view														
				benchmark comparison													
				composition													
				style and fundamentals													
				stock classification													
				fixed-income style													
				performance indicators													
		database view - users should be able to access a database view similar to Principia												MH	I	227	
			customize - users should be able to customize the database view														
				layout													
					add												
						columns											
					delete												
						columns											
					rank/sort												
					save												
			graph														
			view														
				common cross-universe information													
					save												
		alerts (see alerts) - users should be able to access an alerts view similar to Principia															
			generate														
				alerts report													
			print														
			view														
		stock overlap - users should be able to access a stock overlap view similar to Principia												MH	I	228	
			customize - user should be able to customize the stock overlap view														
				view													

Understand Domain

Analysis Subdomain

			stock rank										
			display										
		view											
			underlying stock holdings ranked by % net assets										
		show											
			level of diversification										
graph - the following graphs should be available for Morningstar research data									0				Need to identify Institutional-specific graphs
	Growth of $10K graph								0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)		4	4			5	262.5				
		Generate single investment graphs - users should be able to graph single investments in one graph		5	5			5	312.5				
		Generate multiple investment graphs - users should be able to graph multiple investments in a single graph		5	5			5	312.5				
		Modify (cosmetic)		4	4			1	212.5				
		Magnify (zoom-in, resize)		5	5			5	312.5				
		Save		5	5			5	312.5				
		Retrieve		5	5			5	312.5				
		Copy to clipboard		5	5			5	312.5				
		Print		5	5			5	312.5				
		Export		5	5			5	312.5				
	Total Annual Ret graph								0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)		4	4			5	262.5				
		Generate single investment graphs		5	5			5	312.5				
		Generate multiple investment graphs		5	5			5	312.5				
		Modify (cosmetic)		4	4			1	212.5				
		Magnify (zoom-in, resize)		5	5			5	312.5				
		Save		5	5			5	312.5				
		Retrieve		5	5			5	312.5				
		Copy to clipboard		5	5			5	312.5				
		Print		5	5			5	312.5				
		Export		5	5			5	312.5				
	Rolling Per Ret graph								0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)		4	4			5	262.5				
		Generate single investment graphs		5	5			5	312.5				
		Generate multiple investment graphs		5	5			5	312.5				
		Modify (cosmetic)		4	4			1	212.5				
		Magnify (zoom-in, resize)		5	5			5	312.5				
		Save		5	5			5	312.5				
		Retrieve		5	5			5	312.5				
		Copy to clipboard		5	5			5	312.5				
		Print		5	5			5	312.5				
		Export		5	5			5	312.5				
	Risk/Reward Scatterplot								0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)		4	4			5	262.5				
		Generate single investment graphs		5	5			5	312.5				
		Generate multiple investment graphs		5	5			5	312.5				
		Modify (cosmetic)		4	4			1	212.5				
		Magnify (zoom-in, resize)		5	5			5	312.5				
		Save		5	5			5	312.5				
		Retrieve		5	5			5	312.5				
		Copy to clipboard		5	5			5	312.5				
		Print		5	5			5	312.5				
		Export		5	5			5	312.5				
	Growth of 10K Stacked Bar Chart								0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)		4	4			5	262.5				
		Generate single investment graphs		5	5			5	312.5				

Understand Domain

Analysis Subdomain

	Generate multiple investment graphs	5	5			5	312.5			
	Modify (cosmetic)	4	4			1	212.5			
	Magnify (zoom-in, resize)	5	5			5	312.5			
	Save	5	5			5	312.5			
	Retrieve	5	5			5	312.5			
	Copy to clipboard	5	5			5	312.5			
	Print	5	5			5	312.5			
	Export	5	5			5	312.5			
Correlation Matrix							0	MH	I	184 (Advisor)
	Edit (change parameters not presentation)	4	4			5	262.5			
	Generate single investment graphs	5	5			5	312.5			
	Generate multiple investment graphs	5	5			5	312.5			
	Modify (cosmetic)	4	4			1	212.5			
	Magnify (zoom-in, resize)	5	5			5	312.5			
	Save	5	5			5	312.5			
	Retrieve	5	5			5	312.5			
	Copy to clipboard	5	5			5	312.5			
	Print	5	5			5	312.5			
	Export	5	5			5	312.5			
Standard Deviation Graph							0	MH	I	184 (Advisor)
	Edit (change parameters not presentation)	4	4			5	262.5			
	Generate single investment graphs	5	5			5	312.5			
	Generate multiple investment graphs	5	5			5	312.5			
	Modify (cosmetic)	4	4			1	212.5			
	Magnify (zoom-in, resize)	5	5			5	312.5			
	Save	5	5			5	312.5			
	Retrieve	5	5			5	312.5			
	Copy to clipboard	5	5			5	312.5			
	Print	5	5			5	312.5			
	Export	5	5			5	312.5			
Premium/Discount Graph							0	MH	I	184 (Advisor)
	Edit (change parameters not presentation)	4	4			5	262.5			
	Generate single investment graphs	5	5			5	312.5			
	Generate multiple investment graphs	5	5			5	312.5			
	Modify (cosmetic)	4	4			1	212.5			
	Magnify (zoom-in, resize)	5	5			5	312.5			
	Save	5	5			5	312.5			
	Retrieve	5	5			5	312.5			
	Copy to clipboard	5	5			5	312.5			
	Print	5	5			5	312.5			
	Export	5	5			5	312.5			

Communicate Domain

The features in the Communicate domain affect the management, publication, and distribution of information, particularly, data and data analysis.

There are two sub-domains within the Communicate domain:

- Recommendation presentation
- Practice management

Communication within institutions occurs along many paths, including:

- Among investment managers
- From investment managers to the marketing communications department
- From investment managers to fiduciaries
- From marketing communications to the public

Recommendation presentation supporting features

For the most part, institutions use their own presentation tools (PowerPoint, QuarkExpress). Since institutional audiences must communicate their information in a way that enables effective, informed decision-making, Morningstar data should be easily customized to the needs of the audience.

Canned Reports

A set of unmodifiable informational layout views would be available.

Customized Reports

A set of modifiable informational layout views would be available.

Charts/Graphs

Visual representations of data, such as graphs and tables, are useful, especially if they can be exported to other programs.

Exporting information (reference Gather Domain)

The ability to export information so that it can be incorporated into institutions' products.

Practice management supporting features

Practice management for institutions relates to the management and distribution of information.

Information management

Users would have a central repository that contains information that they have saved.

Saving information

Users would be able to save information into their own personal area on the site. The following types of information can be saved

- Graphs and charts
- Search criteria
- Customized layouts
- Alerts and notifications preferences
- Investments that are being tracked
- Reports

Information sharing

Institutional users would share information with many other groups. Information can be shared

Information sharing within single institutions

Within single institutions, users would have the ability to publish information to all other members of their institution who have access to the site.

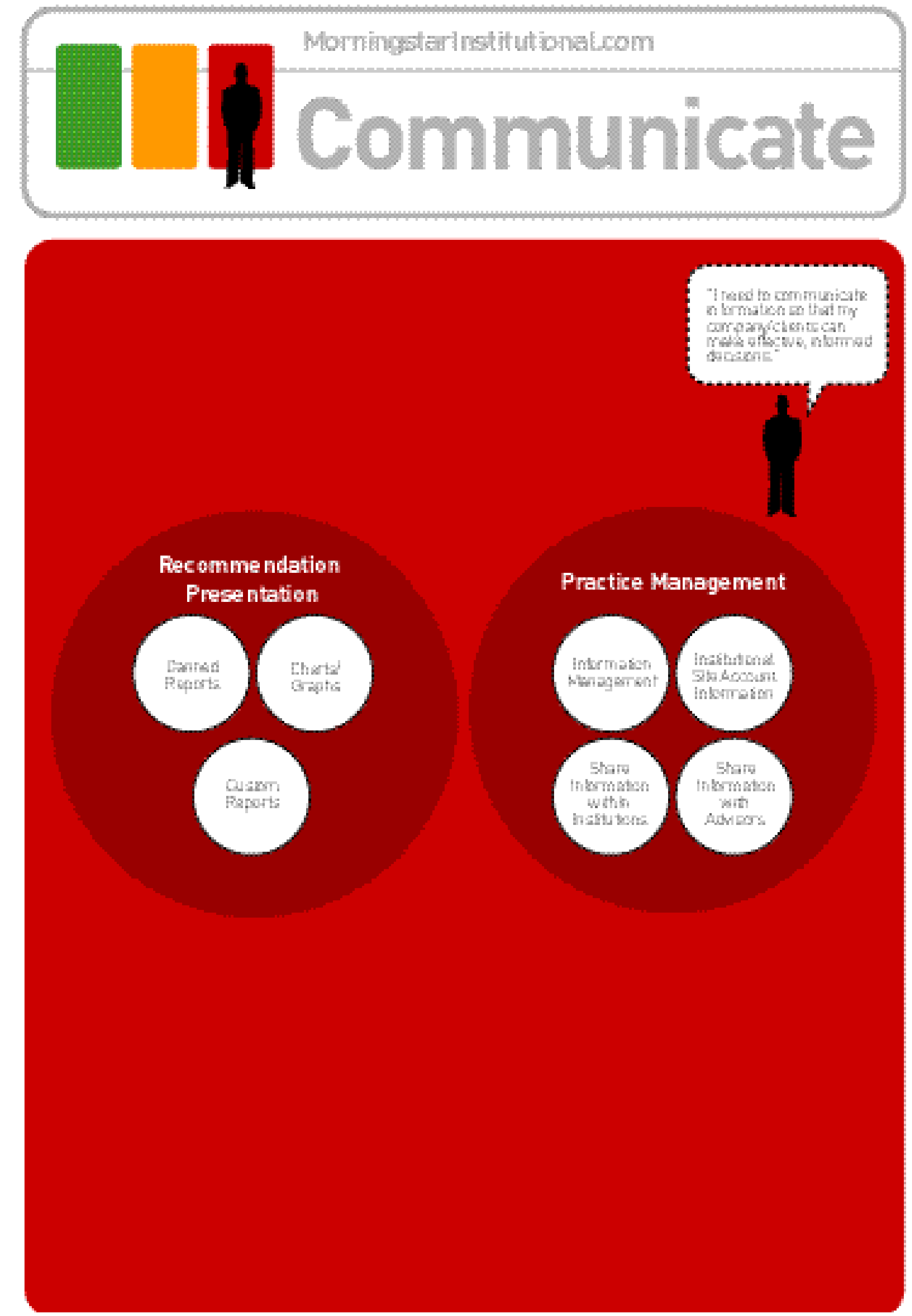
Information sharing with advisors

Institutional users would have the ability to publish information to all uses of MorningstarAdvisor.com. Each institution should probably have a limited number of people with this capability.

User profile/account management

There are two types of accounts available for institutional users

- The institution firm account/profile
- The individual institutional user account/profile



Communicate Domain

The institution account/profile

The institution account is essentially a super user account. It should contain the individual user names within the account; their account information; the terms and conditions of the sale.

The individual institutional user account/profile

The individual institutional user account/profile contains

- Saved information
- User preferences

Communicate Domain

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers beneath the column headings indicate the relative weighting of each point of view.

Recommendation Presentation Subdomain

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus 25	User 25	Tech 25	Brand 13	Mkt 13	Total 100	Disc Priority	Disc Phase	Disc #	Notes
Canned reports																	
	report/views - users should be able to view and print the following Principia reports																
		allocation view - users should be able to access an allocation view similar to Principia												MH	I	225	
			customize														
				layout													
					add												
						data columns											
					remove												
						data columns											
					rank/sort												
					save												
			view														
				dollar value													
				# of shares													
				% allocations													
				detailed fund/stock reports													
				subasset classes										MH	I	162	
		scheduled portfolio (see scheduled portfolio) view - users should be able to access a scheduled portfolio view similar to Principia															
		snapshot view - users should be able to access a snapshot view similar to Principia												MH	I	226	
			view														
				benchmark comparison													
				composition													
				style and fundamentals													
				stock classification													
				fixed-income style													
				performance indicators													
		database view - users should be able to access a database view similar to Principia												MH	I	227	
			customize - users should be able to customize the database view														
				layout													
					add												
						columns											
					delete												
						columns											
					rank/sort												
					save												
			graph														
			view														
				common cross-universe information													
					save												
		alerts (see alerts) - users should be able to access an alerts view similar to Principia															
			generate														
				alerts report													
			print														
			view														
		stock overlap - users should be able to access a stock overlap view similar to Principia												MH	I	228	
			customize - user should be able to customize the stock overlap view														
				view													
				stock rank													
				display													
			view														
				underlying stock holdings ranked by % net assets													
			show														
				level of diversification													

Morningstar Institutional Features

Communicate Domain

Recommendation Presentation Subdomain

Customized reports - a certain number of customizable reports will be available												
Charts/graphs												
	graph - the following graphs should be available for Morningstar research data							0				Need to identify Institutional-specific graphs
		Growth of $10K graph						0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)	4	4			5	262.5				
		Generate single investment graphs - users should be able to graph single investments in one graph	5	5			5	312.5				
		Generate multiple investment graphs - users should be able to graph multiple investments in a single graph	5	5			5	312.5				
		Modify (cosmetic)	4	4			1	212.5				
		Magnify (zoom-in, resize)	5	5			5	312.5				
		Save	5	5			5	312.5				
		Retrieve	5	5			5	312.5				
		Copy to clipboard	5	5			5	312.5				
		Print	5	5			5	312.5				
		Export	5	5			5	312.5				
		Total Annual Ret graph						0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)	4	4			5	262.5				
		Generate single investment graphs	5	5			5	312.5				
		Generate multiple investment graphs	5	5			5	312.5				
		Modify (cosmetic)	4	4			1	212.5				
		Magnify (zoom-in, resize)	5	5			5	312.5				
		Save	5	5			5	312.5				
		Retrieve	5	5			5	312.5				
		Copy to clipboard	5	5			5	312.5				
		Print	5	5			5	312.5				
		Export	5	5			5	312.5				
		Rolling Per Ret graph						0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)	4	4			5	262.5				
		Generate single investment graphs	5	5			5	312.5				
		Generate multiple investment graphs	5	5			5	312.5				
		Modify (cosmetic)	4	4			1	212.5				
		Magnify (zoom-in, resize)	5	5			5	312.5				
		Save	5	5			5	312.5				
		Retrieve	5	5			5	312.5				
		Copy to clipboard	5	5			5	312.5				
		Print	5	5			5	312.5				
		Export	5	5			5	312.5				
		Risk/Reward Scatterplot						0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)	4	4			5	262.5				
		Generate single investment graphs	5	5			5	312.5				
		Generate multiple investment graphs	5	5			5	312.5				
		Modify (cosmetic)	4	4			1	212.5				
		Magnify (zoom-in, resize)	5	5			5	312.5				
		Save	5	5			5	312.5				
		Retrieve	5	5			5	312.5				
		Copy to clipboard	5	5			5	312.5				
		Print	5	5			5	312.5				
		Export	5	5			5	312.5				
		Growth of 10K Stacked Bar Chart						0	MH	I	184 (Advisor)	
		Edit (change parameters not presentation)	4	4			5	262.5				
		Generate single investment graphs	5	5			5	312.5				
		Generate multiple investment graphs	5	5			5	312.5				

Communicate Domain

Recommendation Presentation Subdomain

			Modify (cosmetic)					4	4			1	212.5				
			Magnify (zoom-in, resize)					5	5			5	312.5				
			Save					5	5			5	312.5				
			Retrieve					5	5			5	312.5				
			Copy to clipboard					5	5			5	312.5				
			Print					5	5			5	312.5				
			Export					5	5			5	312.5				
		Correlation Matrix											0	MH	I	184 (Advisor)	
			Edit (change parameters not presentation)					4	4			5	262.5				
			Generate single investment graphs					5	5			5	312.5				
			Generate multiple investment graphs					5	5			5	312.5				
			Modify (cosmetic)					4	4			1	212.5				
			Magnify (zoom-in, resize)					5	5			5	312.5				
			Save					5	5			5	312.5				
			Retrieve					5	5			5	312.5				
			Copy to clipboard					5	5			5	312.5				
			Print					5	5			5	312.5				
			Export					5	5			5	312.5				
		Standard Deviation Graph											0	MH	I	184 (Advisor)	
			Edit (change parameters not presentation)					4	4			5	262.5				
			Generate single investment graphs					5	5			5	312.5				
			Generate multiple investment graphs					5	5			5	312.5				
			Modify (cosmetic)					4	4			1	212.5				
			Magnify (zoom-in, resize)					5	5			5	312.5				
			Save					5	5			5	312.5				
			Retrieve					5	5			5	312.5				
			Copy to clipboard					5	5			5	312.5				
			Print					5	5			5	312.5				
			Export					5	5			5	312.5				
		Premium/Discount Graph											0	MH	I	184 (Advisor)	
			Edit (change parameters not presentation)					4	4			5	262.5				
			Generate single investment graphs					5	5			5	312.5				
			Generate multiple investment graphs					5	5			5	312.5				
			Modify (cosmetic)					4	4			1	212.5				
			Magnify (zoom-in, resize)					5	5			5	312.5				
			Save					5	5			5	312.5				
			Retrieve					5	5			5	312.5				
			Copy to clipboard					5	5			5	312.5				
			Print					5	5			5	312.5				
			Export					5	5			5	312.5				

Practice Management Subdomain

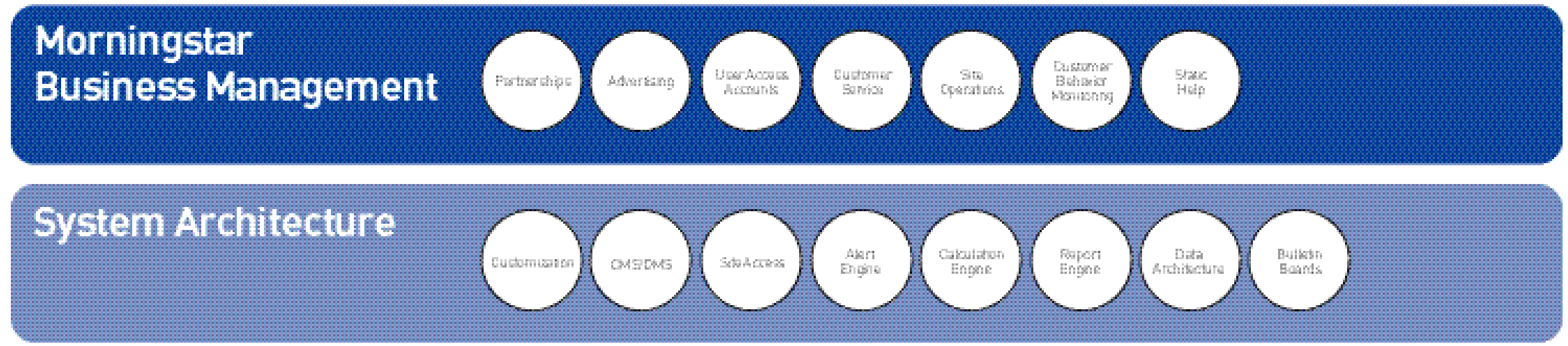
	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus	User	Tech	Brand	Mkt	Total	Disc Priority	Disc Phase	Disc #	Notes
								25	25	25	13	13	100				
Information management																	
	save																
		charts/graphs															
		search criteria															
		customized layouts															
		alerts and notifications															
		alerts and notification preferences															
		investments information															
		reports															

Communicate Domain

Practice Management Subdomain

Institutional user account									0				
	log in			5	5			5	312.5	MH	I		
	manage												
		passwords											
			create										
			edit										
	save			5	5			5	312.5				
	view			5	5			5	312.5				
	update			5	5			5	312.5				demographics; not able to update billing info
	print			5	5			5	312.5				
Institutional user profile									0	MH	I	6	
	log in			5	5			5	312.5	MH	I		
	manage												
		passwords											
			create										
			edit										
		Functionality							0	MH	I	9	
		Data		5	5			5	312.5	MH	I	9	
	save			5	5			5	312.5	MH	I	7	
	view			5	5			5	312.5				
	update			5	5			5	312.5				
	print			5	5			5	312.5				
Institutional firm account									0	MH	I	6	
	log in			5	5			5	312.5	MH	I		
		Functionality							0	MH	I	9	
		Data		5	5			5	312.5	MH	I	9	
	manage												
		passwords											
			create										
			edit										
	save			5	5			5	312.5	MH =	I	7	
	view			5	5			5	312.5				
	update			5	5			5	312.5				
	print			5	5			5	312.5				
Institutional firm profile									0	MH	I	6	
	log in			5	5			5	312.5	MH	I		
		Functionality							0	MH	I	9	
		Data		5	5			5	312.5	MH	I	9	
	manage												
		passwords											
			create										
			edit										
	save			5	5			5	312.5	MH =	I	7	
	view			5	5			5	312.5				
	update			5	5			5	312.5				
	print			5	5			5	312.5				
Share information with advisors									0	MH	I	6	
	publish to advisors			3	3			1	162.5	MH	I	120 (A)	
Share information within institutions									0				
	publish to people within institutions			3	5			1	212.5	MH	I	6	Pub but not delete; impact price model

Business Management



Site enablers

Site enablers are those underlying relationships, systems, and processes that support or make site attractors possible. There are two parts of site enablers:

- Morningstar business management
- System/Technical architecture

Morningstar business management

Morningstar business management refers to operational and fiscal issues related to day-to-day and long-term running of MorningstarInstitutional.com. It includes the following components

- Partnerships
- Access terms and conditions
- Customer service
- Site operations
- Customer behavior monitoring

System architecture

System architecture refers to underlying code structures that support site attractors. It includes the following components

- Customization
- Content management system
- Site access
- Alert engine
- Calculation engine
- Report engine
- Data architecture
- Bulletin boards
- Chat systems

The following charts provide additional detail on the site features. Each line item has been evaluated from the different points of view of the Morningstar business, the user the brand, and the marketplace (competitive value).

Each feature has been ranked on a scale from 5 to 1

- A rating of 5 indicates that the feature s a must have
- A rating of 1 indicates that the feature s a nice to have

The numbers beneath the column headings indicate the relative weighting of each point of view.

Business Management

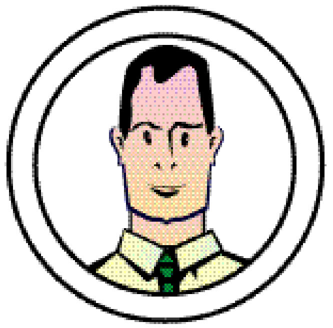
Morningstar Business Management

	Action	Subobject	Action	Subobject	Action	Subobject	Action	Bus	User	Tech	Brand	Mkt	Total	Disc Priority	Disc Phase	Disc #	Notes
								25	25	25	13	13	100				
Customer service																	
	mandatory alerts/notifications - mandatory alerts are sent to all site users. (implementation as an alert is not mandatory; could be accomplished through e-mail)																
		M* broadcast messages															
		M* process alerts - changes to M* methodology						5	5			3	287.5				
		M* definition alerts (style boxes) -changes to M* data definitions						5	4			3	262.5			23	
		M* error alerts - Notifications of data errors/corrections											0			23	
	optional alerts/notifications																
		Process alerts (your data is ready)						5	5			1	262.5				
			setup/subscribe to										0				
			setup frequency										0			19	
			view										0				
	provide static help							5	5			5	312.5				
	provide feedback mechanism							5	5			5	312.5				
	provide call center support												0				
	interactive help								5			1	137.5				
	provide product demos																
Partnerships																	
	import - provide mechanisms for 3rd parties to import/upload data to the Web site												0				Define (separate) types of importing
		Third party data						3	4			1	187.5	NTH	II	81	Cobbling
		Third party certificates											0	BSKY	II	82	

Section 7

Institutional User Scenarios

Scenarios are fictional representation of how someone might use a site, and of how the site might affect the way users perform certain tasks. for MorningstarInstitutional.com, Sapient has created three "day-in-the-life" stories: one for an investment manager at a fund company, one for a marketing manager at a brokerage firm, and one for a marketing manager at a retirement services provider



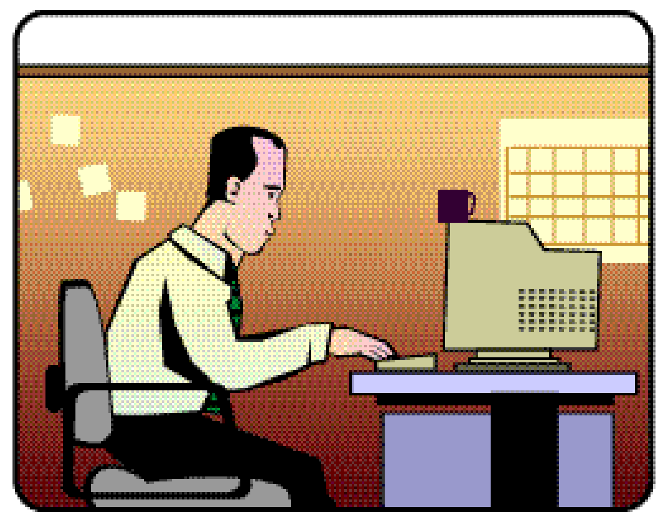
Stuart Johnson

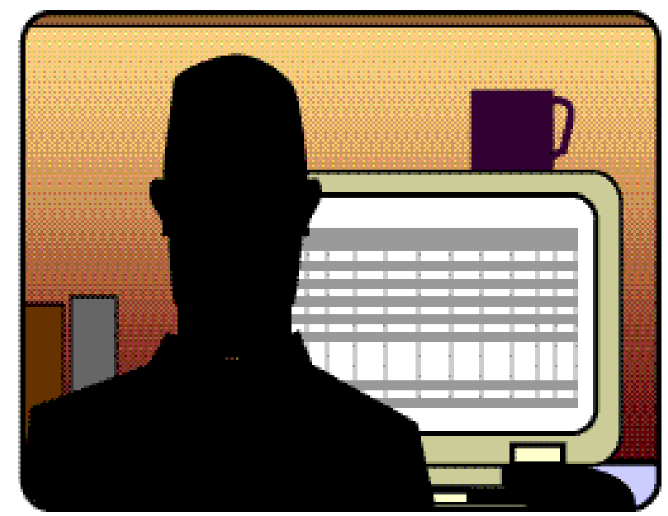
Stuart Johnson, 32, is a performance review analyst at Prudential. He has an undergraduate degree in economics from the University of Virginia and became a chartered financial analyst in 1998.

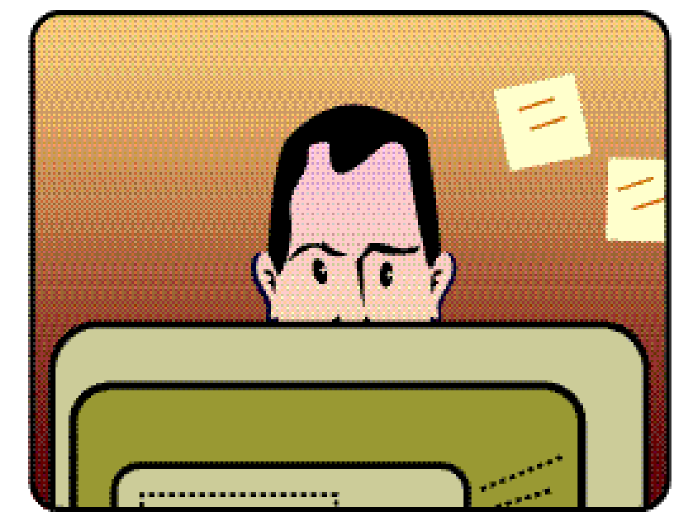
Principia was one of the tools that Stuart relied on regularly, although it didn't have enough up-to-date data. He currently gets much of his information from fund-family Web sites and Lipper LANA so he was thrilled when MorningstarInstitutional.com debuted, with much of Principia's functionality online and suited more for his needs.

Benefits

- **Save search results to efficiently access the same data sets in the future.**
- **Export data into other applications so you can customize it.**
- **Set up complex search criteria so you can view exactly the information you need.**
- **Quickly access timely, accurate data for thousands of investments, including competitors.**







Scene 1

This morning, Stuart is developing his **weekly reports**. Prudential portfolio managers scrutinize these reports to assess whether to **reallocate investments** in the funds Stuart tracks. After reviewing data from Prudential's internal data feed Stuart logs on to Prudential's account in MorningstarInstitutional.com, where he **gathers information about all the funds** and then **focuses the data** for each manager who receives it. He has already saved queries for each manager's set of funds, so the reports **take far less time** to research and produce than in the past. The **information is up-to-date**, and, therefore, managers' **decisions are more sound**.

Since Prudential's **board meeting** is coming up in two weeks, Stuart makes sure his reports are not only **accurate**, but can be **scanned and digested quickly**. MorningstarInstitutional.com's tools allow him to **export the data** into almost any software program he chooses.

Scene 2

Five minutes ago, via email Stuart received a request from Prudential's marketing department asking him to create a report that will **promote an investment fund** that Prudential has just developed. He visits MorningstarInstitutional.com, where he calls up numbers based on categories he **compiles specifically for this report**. Stuart pays extra attention to **creating a graph** on MorningstarInstitutional.com, because he wants to highlight the **relationship** between this fund's performance and the overall trend of the market. He **saves the categories** to expedite creating future reports on this fund.

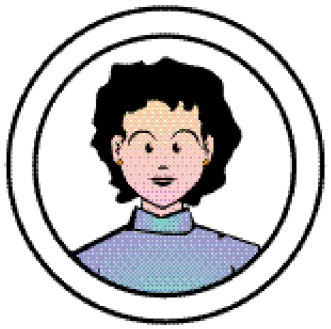
Scene 3

Stuart double-checks the numbers before **plugging them into Excel**. An extremely sophisticated computer user, Stuart often creates Excel macros to help **speed his calculations**. When a company **changes the format** in which it presents information that Stuart uses, it makes his work considerably more difficult.

MorningstarInstitutional.com offers Stuart tools that help him **create reports for his audiences**. He can access **fast, timely data** about funds' financial performance over any time periods he selects, look at various types of **rankings**, and retrieve **gross and net returns** from all time periods.

Scene 4

In addition to preparing performance review reports, Stuart **monitors his competitors** and periodically generates **reports comparing** his company's overall performance to theirs. The data alerts he receives from MorningstarInstitutional.com help him stay on top of the investments he tracks. He also works on **ad hoc research projects**, including research for **new product development**.



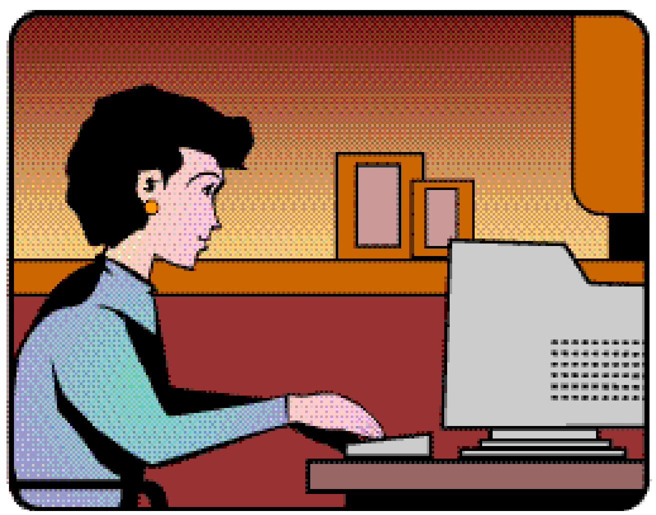
Jennifer Monroe

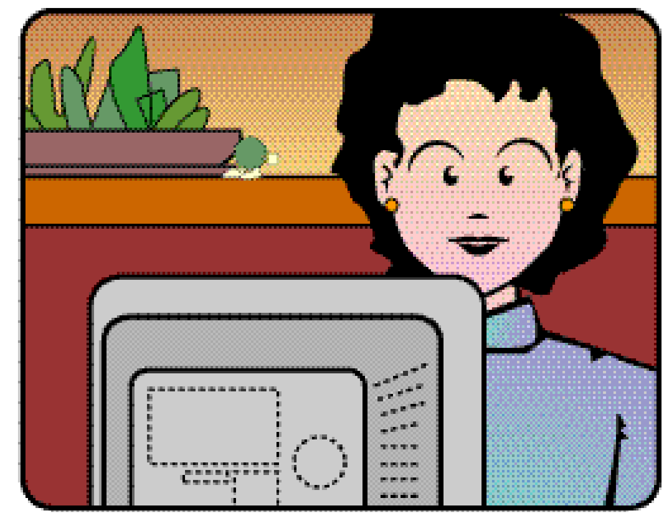
Jennifer Monroe, 45, is Prudential's investment communications manager, responsible for retirement communications. She has an M.B.A. in marketing from Columbia University.

Jennifer has been online since the early 1990s and has been instrumental in expanding computer training programs for Prudential employees. In her spare time, Jennifer teaches girls about computers and financial issues.

Benefits

- **Easy to access and update previously saved categories.**
- **Exportable format allows for maximum flexibility.**
- **Review hundreds of data points for each fund.**
- **Receive alerts when changes occur in information that is relevant to you.**





Scene 1

Jennifer is a week away from her deadline: Her department must create **401(k) marketing materials** for a large plan sponsor. Prudential's **fund prospectus** and **single-sheet summary** will be included in the 401(k) packets distributed by participating corporations to their employees. In addition, the corporations want to post the information on their intranets.

She signs on to Prudential's account on MorningstarInstitutional.com, where she can easily access, from categories she has saved under "**plan sponsor report data**," the **latest figures of the funds available to that plan sponsor**. This ability to get **current figures using previously saved categories** has significantly reduced the time it once took Jennifer to obtain this information.

Scene 2

Jennifer gives the plan sponsor's figures to the production department, which will **import them into** a template and format they have used before. She will review the materials to ensure that the fund's returns **look as attractive as possible**, and still remain **compliant with NASD regulations**.

Scene 3

Jennifer has no time to take a break and must immediately start her next project, producing **different information about the same funds** for Prudential's institutional sales team. She returns to MorningstarInstitutional.com and, by **pulling up categories she saved** under "institutional sales report data," gains **access to different figures about the same funds** she researched earlier in the day. After running those numbers, she reviews a **Morningstar Snapshot** of her fund, which she uses to **confirm that her analysis is in line** with the assessments of Morningstar experts.

Scene 4

Next, Jennifer reads the **alert she received from Morningstar** updating her on the status of some of her **competitors' funds**. She adds that information to her **weekly email** to the sales and sales support departments, to help them answer potential questions from plan sponsors and participants. She also forwards the information to her assistant, who is preparing the **monthly newsletter** Prudential sends to its plan participants.

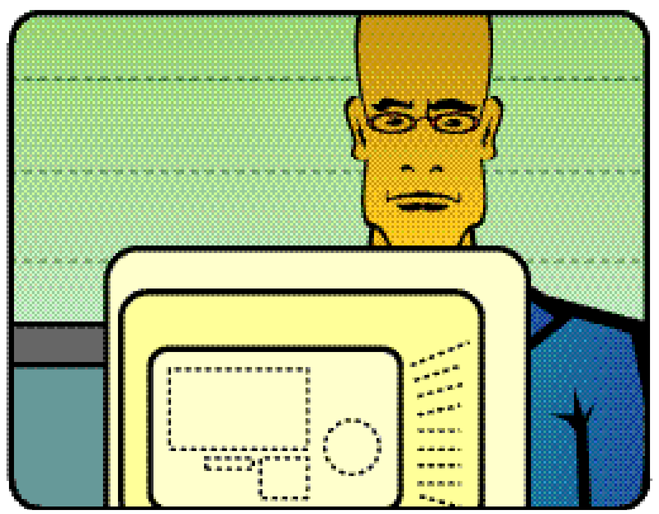
Josh Wilson

Josh Wilson, 26, is a marketing manager for Schwab. He received a B.S. in marketing from New York University and is considering getting an M.B.A. He has worked for Schwab for one year, moving from Johnson & Higgins, where he developed marketing materials for employee benefit plans.

At Johnson & Higgins, Josh became intimately familiar with communicating financial information to consumers. He prefers to work online, because he is assured that information is up-to-date and accessible from any computer.

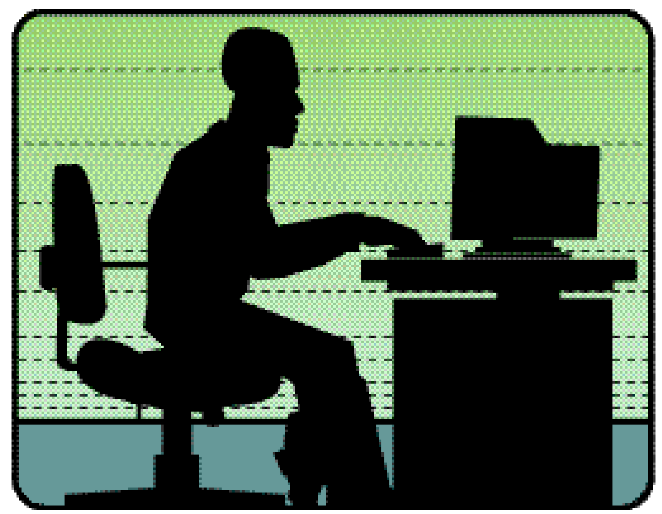
Benefits

- **Flexible format allows data to be imported into other applications**
- **Alerts assure that decisions are based on the most current information.**
- **Ad hoc requests easy to fill because data is available at your fingertips.**
- **Easily set up and save new report parameters.**



Scene 1

Every day, Josh **receives Morningstar's data feed** and **distributes the appropriate information** throughout Schwab. Now that the data feed comes directly to Schwab's account on MorningstarInstitutional.com, **the task is largely automated**, taking far less time than it did before the site was created. In addition, Josh can **quickly export the data** into just about any software program. This flexibility is another great time-saver for him.

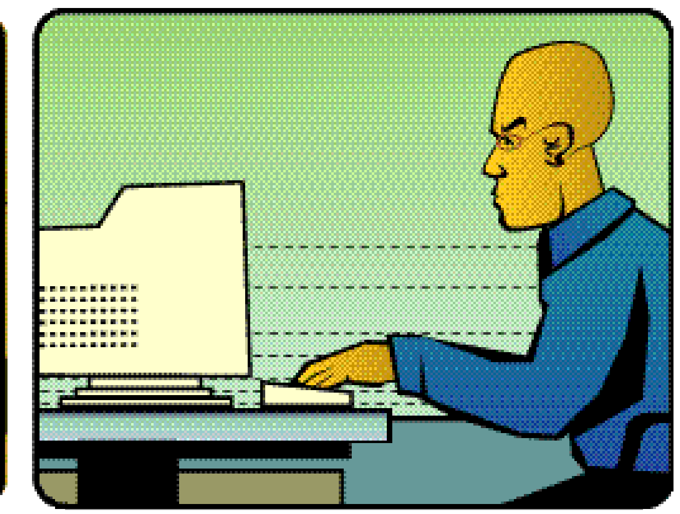


Scene 2

Josh **populates** Schwab's We site which exported Morningstar data **quickly and easily**. He realized that he needs to add a **data element** to his licenses and is able to do so instantly.

Scene 3

When Josh checks his email in the afternoon, he sees a request from Joe Donne in the sales department for a **specialized report on the quarter-end numbers** to use for a potential new corporate account. It's the third **unscheduled request** he's received today.



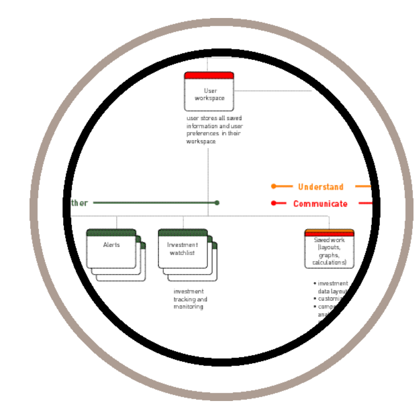
Scene 4

Josh takes a deep breath and clicks onto MorningstarInstitutional.com. Since this is the first report he has produced for Joe, Josh **sets up a query** with all the elements Joe has requested, **saves the search** in case he needs to use it to obtain up-to-date numbers at a later time, and very quickly **retrieves exact quarter-end figures**.

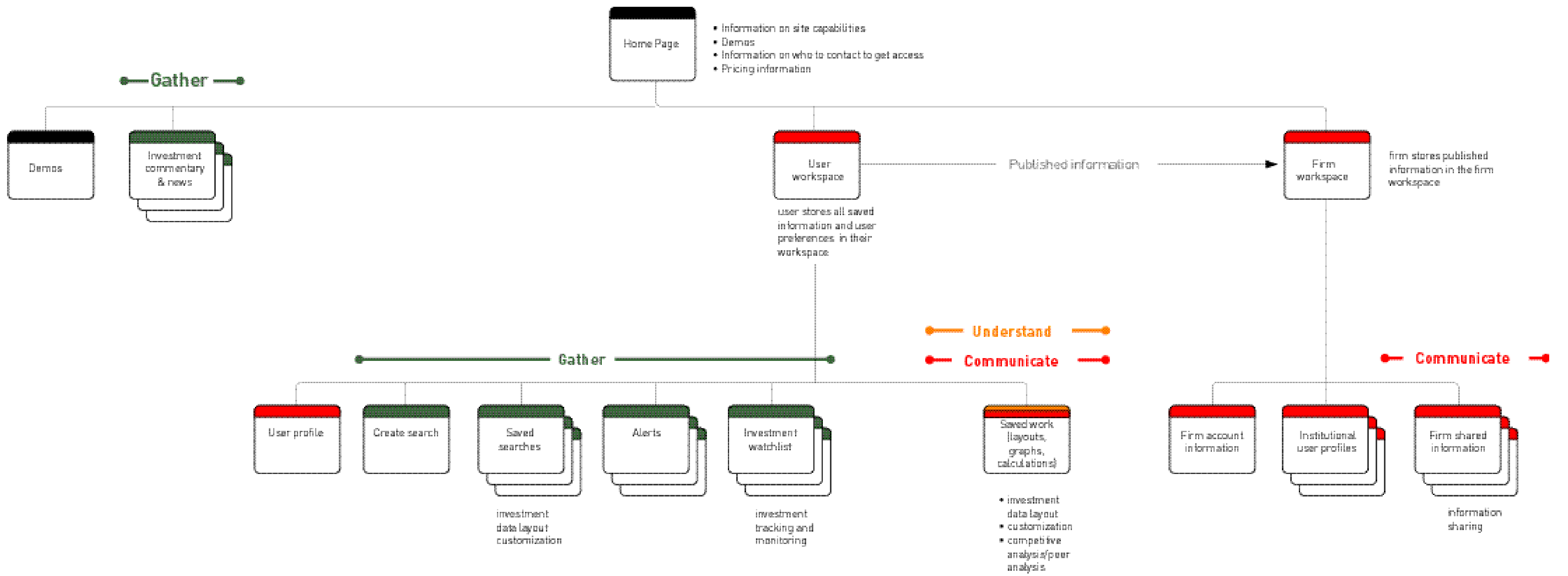
Section 8

Institutional Site Map

This site map provides a high-level idea of how MorningstarInstitutional.com might be organized. This version is preliminary in design; Morningstar could expect a site map that drills further down in the site.



MorningstarInstitutional.com



This site map represents of preliminary version of the site architecture.
It is a preliminary treatment only and should not be considered final.

Section 9

Next Steps

Next Steps

The Site Strategy project has outlined the high-level approach for Morningstar's advisor and institutional Web sites. We formed the initial foundation that defines the relationships between groups of features on the sites. The work produced in this project will be our roadmap as we move into the design and implementation phases, where we will describe the specific interactions between features. We will reference the knowledge detailed in this document and the attached appendix, as well as the separate "Morningstar User Findings and Frameworks," to build sites that best unify user needs with Morningstar's business needs.

Future stages will build out the community functions and subsequent tools-based features and functionality for the advisor and institutional sites. During the upcoming design phase, we will refine the guidelines for the sites until we have a detailed implementation strategy. In the early part of design, we will integrate the experience modeling findings and analysis captured in "Morningstar User Findings and Frameworks." Incorporating specifics about user interactions will ensure that the site structure and design reflects the way these users actually work online and that the user experience of the site aligns with user expectations.

Detailed information about the next phases of work are included under separate cover in the "Morningstar Web Strategy Implementation Stage 3 Proposal." This document contains the approach for moving forward, including the timeline, project plans, milestones, and the estimated cost and scope.

Morningstar Site Strategy Document
Appendix
FEBRUARY 14, 2000

Morningstar
Site Strategy Document Appendix

FEBRUARY 14, 2000

Appendix

A. Business Implications

B. Digital Brand Strategy

- Digital Brand Fundamentals
- Digital Brand Considerations
  - MorningstarAdvisor.com Digital Brand Considerations
  - MorningstarAdvisor.com Digital Brand Identity
  - MorningstarInstitutional.com Digital Brand Considerations
  - MorningstarInstitutional.com Digital Brand Considerations

C. Competitive Analysis

- Competitor Highlights
- Best Practices Analysis

D. Content Assessment

- MorningstarAdvisor.com Content Assessment
- MorningstarInstitutional.com Content Assessment

E. Principia Pro Assessment

F. Front-End Technology Benchmark

G. Other Model Options Considered

H. Strategy Session Summary

Appendix A

Business Implications

Business Implications

After reaching preliminary consensus about the right site model for advisor and institutional markets, the team began to investigate the implications that this model would have on Morningstar's business.

Topics explored in this investigation included:

- Preliminary advisor and institutional site pricing strategies
- Product "bundling"
- Alternative site revenues
- User registration
- Next steps to close on pricing
- Existing customer transition
- New customer acquisition
- Other market-based and internal operational implications

The following is a summary of the preliminary discussions and decisions made in this phase of work.

Preliminary advisor and institutional site pricing strategies

The advisor and institutional sites offer products and services to multiple target market segments. The advisor site targets both the independent and captive advisor audiences. The institutional site offers products and services to multiple current and potential Morningstar institutional clients, each with distinct needs and requirements. The pricing strategy for these sites must accommodate the distinct needs and requirements of each of these user groups. Additionally, the pricing models need to be competitive, based on pricing for similar products in the marketplace. And finally, the pricing model needs to support the financial goals of Morningstar's advisor and institutional business units.

Business Implications

Preliminary advisor site pricing model

For the advisor site, the team described a pricing model composed of:

- Paid offerings (subscription and a la carte) and
- Free offerings

The "paid" and "free" offerings will need to be clearly identified for users of the advisor site. At the point-of-site-entry, users will be presented with free information, products and services, as well as teasers or links to offerings that will require registration and/or purchase decisions. The offerings on the advisor site will be categorized into the following pricing groups:

- Free for all users
- Free for registered users only
- Paid offerings

Decisions about which features will be offered "free for all users" and which will be offered "free for registered users only" will be based on whether the offerings are available at any of the following:

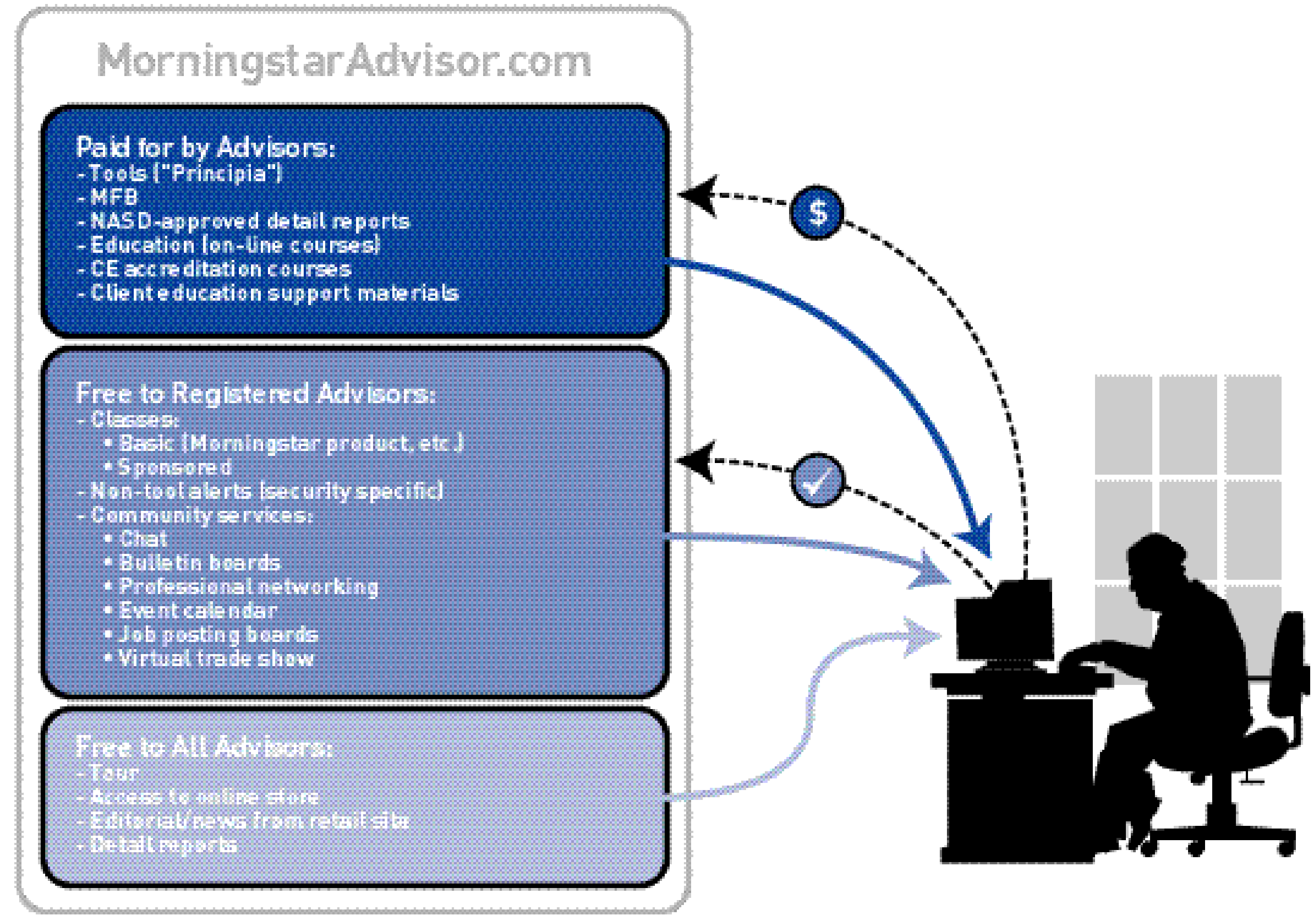
- Morningstar's retail Web site
- Advisor competitor sites
- Industry sites (i.e., standard free offerings, etc.)

In addition, offerings sponsored by institutions and other groups could eventually be made available at no cost to the site user, and could be offered as "free for registered users only."

Decisions about what to include in the "paid" pricing category will be based on whether the offerings are either:

- Existing revenue sources offline
- Differentiating, value-added offerings

The "paid" offerings on the advisor site will be divided into products and services that are subscription-based or a la carte. For subscription-based services, Morningstar will offer



Business Implications

annual subscriptions with an automatic renewal and the option to pay monthly.

Paid Offerings

Subscription	**A La Carte**
• Principia (tools)	• Client support materials
• MFB	• Education
• Client support materials	
• Education	

Because of the diversity of the audience types, these subscriptions and a la carte offerings will be priced at three levels:

- Single user
- Small office
- Large institution

Pricing of these offerings will be based on several other variables. The following list outlines the current and future pricing variables that should affect the offering price.

Pricing Variables

General:

Institutional discounts

Seat vs. group license

Duration

By Service

Principia Specific:

Module

Database

***Techfi

***An additional pricing variable to consider is the Techfi pricing model. Techfi's pricing model is fundamentally different from Morningstar's current pricing strategy. For the user, Morningstar's pricing will need to stay consistent, regardless of the client's relationship with Techfi.

Advisor site product bundling and modules

To better accommodate a wide range of independent and captive advisors, Morningstar will need to bundle services and tool & information modules. The "bundles" will be based on the following assumptions:

- Pre-packaged bundles of services will be sold at "bundled" prices to independent advisors and corporate accounts.
- Products, services and tool and information modules will be custom bundled for institutional corporate accounts. Anticipated modules include:
  - Portfolio accounting
  - Research
  - Asset allocation
- Products, services, and modules will also be sold "unbundled," or a la carte.
- Bundles may include tools, information, and/or hard goods.
- Customization of products/services/modules will be available to institutional customers.

Business Implications

Advisor site alternative revenues

In addition to advisor revenue, the advisor site will generate revenue through institutional advertisers and sponsors. Valuable site user information will be aggregated and sold to sponsors at a premium price. Additionally, sponsors will be able to host events, sponsor products and services, etc. The immediate benefit to the site users will be that some of the sponsored site offerings will be available free to them.

Advisor site user registration

Site users will be required to register online before entering value-added areas of the advisor site. User registration is important for the following reasons:

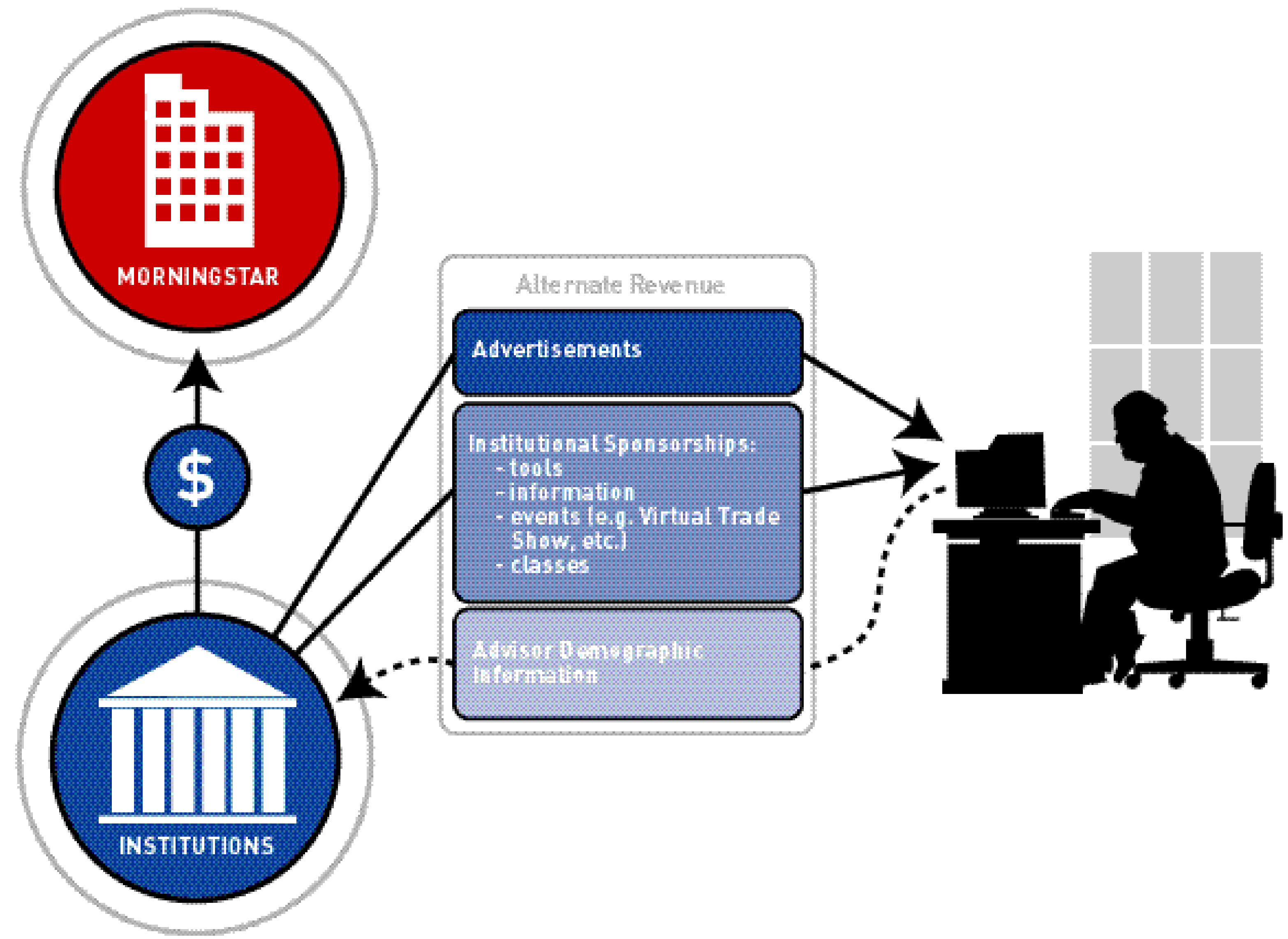
- Development of user-centered products and services
- Targeted marketing efforts
- Collection of qualified behavioral information about the users to sell to institutions

Registration will be positioned as a "user preference" identifier for personalization on the site. There will be two points of registration, one at the "teaser" presentation level and another at the "purchase/professional content" level of the site. User data will be collected at both points.

The team anticipated that user information collected from bulk registrations is likely to be different from information collected from individuals. This issue remains to be addressed.

The following list shows the kind of information that might be collected at the "teaser" level (premium free offerings) from independent advisor customers. Of these, some information will be required and some may be optional. Required and optional information is yet to be determined:

- Name
- Company name
- E-mail address
- Street address
- Zip code



Business Implications

- Professional designation/licenses
- Broker/dealer, custodian identification
- Annual compensation
- Assets under management

And at the "purchase" level, more information will be collected, including:

- Credit card number
- Transaction summary
- Billing/usage/legal agreements

Business Implications

Preliminary institutional site pricing model

For the institutional site, a pricing model composed of 1) subscription and 2) pay-per-use pricing meets the needs of the clients, the market/competition, and the business for this site. These two pricing approaches offer different advantages to Morningstar.

With subscription-based pricing, Morningstar benefits by having easier administration (e.g., billing, etc.) simplified sales, the ability to combat pricing transparency issues, and the ability to deliver more user-centric offerings. Subscription-based pricing can be broken down into corporate, enterprise-wide and individual-based pricing (e.g., unlimited seats, limited seats, and single seats).

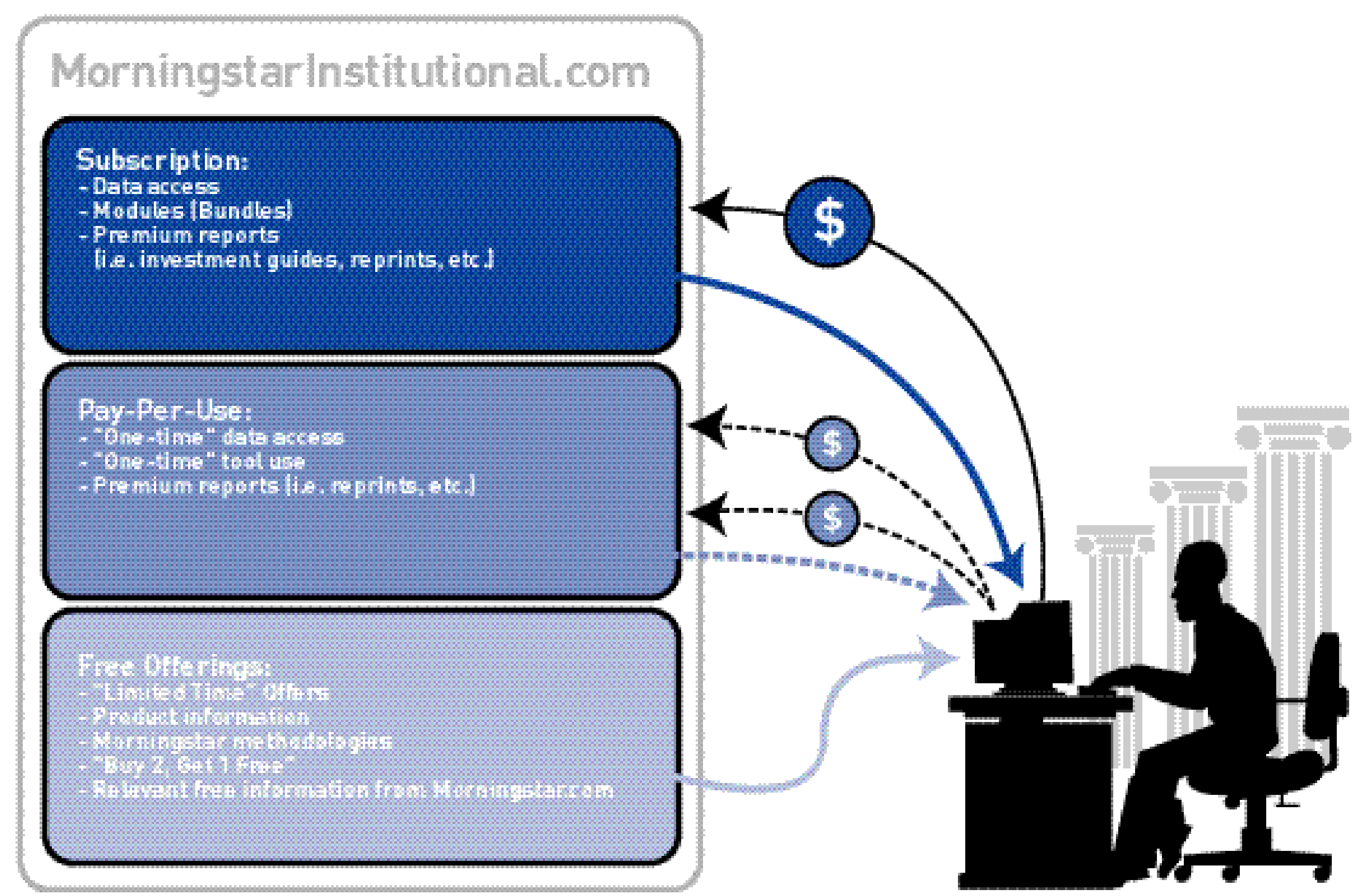
With pay-per-use pricing, Morningstar will have an opportunity to charge more and increase traffic for current and projected users with specific needs (i.e., flexibility of choice). Pay-per-use pricing will be based on criteria that are to be determined. Likely examples of these criteria are time, quantity of data, flat fees, or a combination.

Morningstar will have bundled offerings on-line within the subscription pricing structure and the pay-per-use pricing structure. Products will be bundled by data categories such as: performance, expenses (operations), portfolio characteristics, and portfolio holdings. Products could also be further bundled by data types (e.g., mutual fund, stocks, etc.).

Some Morningstar products offered on the institutional site will be free, to match the value of information offered at no cost on competitive sites and on other Morningstar sites. Institutional users that currently go to multiple other sites (retail and professional) would be able to get similar information at Morningstar's institutional site along with subscription-based and a la carte tools and information.

The current and future on-line institutional offerings can be broken into the following pricing categories:

Morningstar will offer premium products on the site, such as repackaged reports and special data services requests. Data fields, distribution, frequency, and breadth of data will drive the price of on-line data services. Clients can self-serve, including building and saving their own data queries, or they can contract with Morningstar for premium data services. The pricing of the premium data services will be consistent with current pricing for these services.



Business Implications

Next steps to close on pricing

The team identified the next steps that must be taken to determine specific pricing for online offerings. These steps include:

- *Product Definition*. With user input, the "bundles" and modules are grouped together to become discrete product offerings
- *Product Cost Analysis*. Once products are defined, an analysis of fixed and variable costs is necessary. Decisions about how much fixed and variable cost is assigned to each product are critical to making responsible pricing decisions.
- *Competitive Analysis*. Once products are defined, an analysis of relevant competitive products informs the final pricing decision.
- *Customer Expectation Analysis*. Part of the pricing decision is based on an understanding of what (if anything) customers expect to pay for on-line information, products and services.

Of these activities, product definition is the important first step towards closing on on-line prices. Cost, competitive and customer expectation analysis can begin concurrently, but ideally only after product definition is complete.

Transitioning existing customers

For both the advisor and institutional sites, Morningstar must transition existing customers from existing software-based products and services and custom-developed data feeds to the future on-line offerings.

The following is a summary of discussions held with the Advisor and Institutional groups about transitioning existing customers.

Transition of existing Advisor Customers

The team briefly discussed the migration of existing advisor customers from the software-based Principia product and MFB to on-line products. In these discussions a few basic assumptions and critical questions were identified:

- Morningstar will aggressively move customers from software based products to on-line offerings. Eventually, Morningstar will stop selling and supporting the software-based Principia product. Greater specificity of when this transition will be complete is dependent on a better understanding of the rate of user adoption of the new, on-line products and services.
- Principia migration and MFB migration will be handled as separate campaigns
- A campaign to explain the new on-line offering is needed
  - The campaign should explain to existing customers where the on-line Principia product is similar to the software-based product
  - The campaign should identify any new capabilities of the on-line product
  - Likely media for this campaign include conferences, trade shows, and Principia Pro classes
- Other marketing efforts, including off-line (e.g., print, public relations, etc.) on-line (e.g., banner advertising, advertising at affiliate sites, sponsorships, etc.), and potential e-mail (direct to customers or "opt-in" lists) need evaluation. Evaluation criteria should include:
  - What is the relative cost of the media?
  - What is the brand awareness building capability of the media?
  - How informative can we be through this media?
  - How targeted is the media?
  - How trackable is the media?

The team identified a few additional questions that pertain to transitioning advisor customers. The group agreed that these questions would be examined as a part of the next phase of work. These questions include:

- What can we do with technology to link our software-based products to the Web?
- Can we add functionality to our software-based product to help users pre-register or streamline registration at the advisor site?

Transition of existing institutional customers

For the institutional site, the following basic assumptions about customer transition were identified:

- Morningstar will need to migrate their current institutional clients to the new on-line offering
- Morningstar's sales force will have direct sales contact with clients to facilitate this process
- Morningstar will announce and communicate the new site in one or several of the following ways:
  - Direct, off-line sales force communication
  - Direct mail
    - With data feed
    - Separate
    - PR/advertising campaigns
  - Advertisement or announcement at Morningstar.com
  - Banner ads (on other Morningstar and affiliate sites)
  - High-visibility events (e.g., conferences)
- "Limited time" special product offers and subscriptions

In many cases, marketing communications supporting customer transition will need to be coordinated between Morningstar's advisor and institutional groups.

Business Implications

New customer acquisition

Beyond transition of existing customers, both the advisor and institutional sites expect to solicit and win new customers. The team began preliminary discussions about potential new advisor and institutional customers, including a brief identification of who the potential new customers are and plans to drive traffic to the sites.

Acquisition of new advisor customers

The team identified several target market segments that could be targeted with the new-on-line advisor site offering, including:

- Independent advisors not currently using Morningstar products or services
- Captive advisors
- CPAs
- Insurance
- Banks, trusts
- Professionals currently using the Morningstar.com retail site

Specific plans to solicit and capture these audiences are yet to be outlined and completed.

Acquisition of new institutional customers

Among institutional accounts, the bundling of modular tools and services gives Morningstar the potential to increase market penetration into some institutional segments (e.g., investment research). Morningstar will communicate to potential new institutional customers in one or more of the following ways:

- Direct, off-line sales through Morningstar sales force
- On-line announcements (at the advisor site and morningstar.com)
- PR/advertising campaigns
- High-visibility events (e.g., at conferences)
- Free demos
- Limited time subscriptions

Other business implications

The proposed advisor and institutional site models suggest several implications for Morningstar's business. Some of these implications are market-based, while others relate to Morningstar operations. Implications identified by the team include:

- Advisor and institutional offerings must be clearly differentiated and articulated, particularly for current Institutional Principia users.
- Moving the institutional product offerings on-line may make it harder to account for client redistribution of information. Legal agreements will continue to be used and on-line disclaimers may be needed.
- Because of some inevitable price transparency, prices for institutional offerings will need to be more standardized than today's pricing.
- Implementing the sites will significantly affect staff across the institutional and advisor services groups and specifically those involved in content management, product development and management, product sales & support, and customer service.
- Decisions made about content and tools on each Morningstar site affects all sites. Many of these decisions need to be coordinated across business units.
- Some on-line product development and management decisions and activities will need to be coordinated across business lines.
- Although data access features will be built with user self-service in mind, Morningstar will need to offer on-line customer support for using tools, building queries, publishing reports, etc.
- With multiple pricing choices (e.g., subscription, pay-per-use, etc.), sales support staff will be asked to help clients choose the best payment plan for them.

Appendix B

Digital Brand Strategy

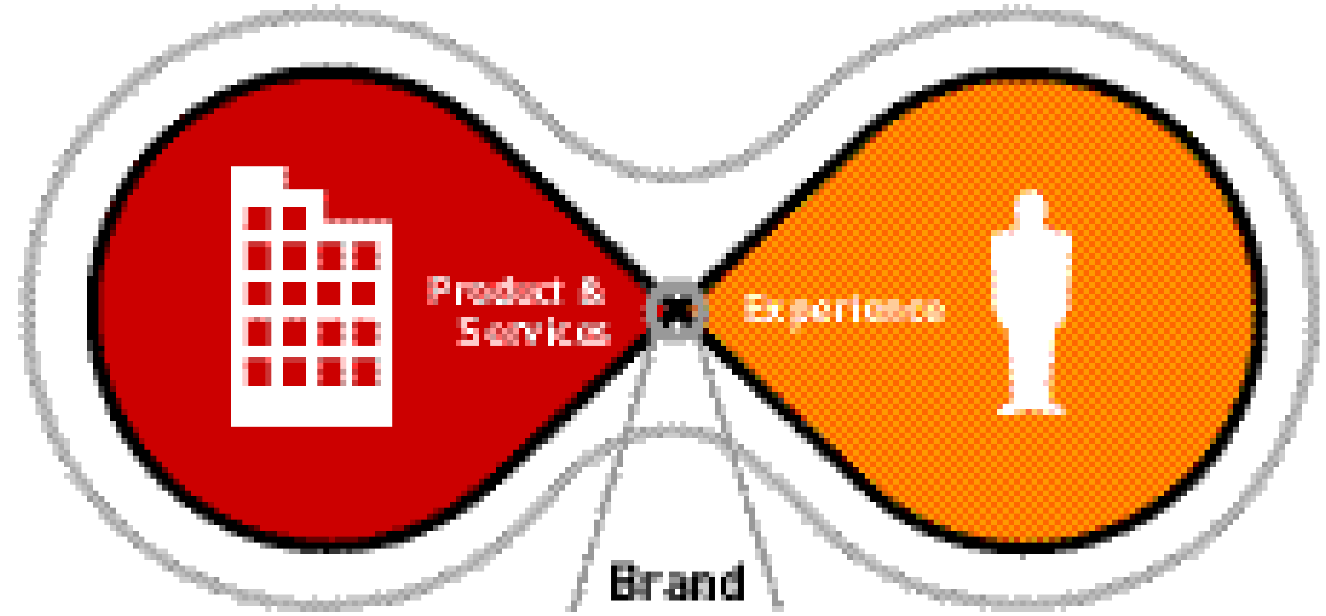
Digital Brand Fundamentals

What is a brand?

A brand is the focal point of trust between a company and its consumers.

Over time, a consumer forms a relationship with a brand that is based on personal identification with the brand and a trust that develops through a consistent experience with the brand. Each brand secures a unique position in the mind of the consumer, rooted in the sum total of every interaction, product, service, and communication that the consumer experiences with the brand.

For Morningstar, its brand represents the image it wants its consumers to associate with the company. The Morningstar brand, and the qualities associated with it, represents Morningstar and company as a whole and is referred to as the master brand. The brand allows Morningstar to endow the company, its products, and its services with unique associations that add perceived value and distinguish the company in the marketplace.

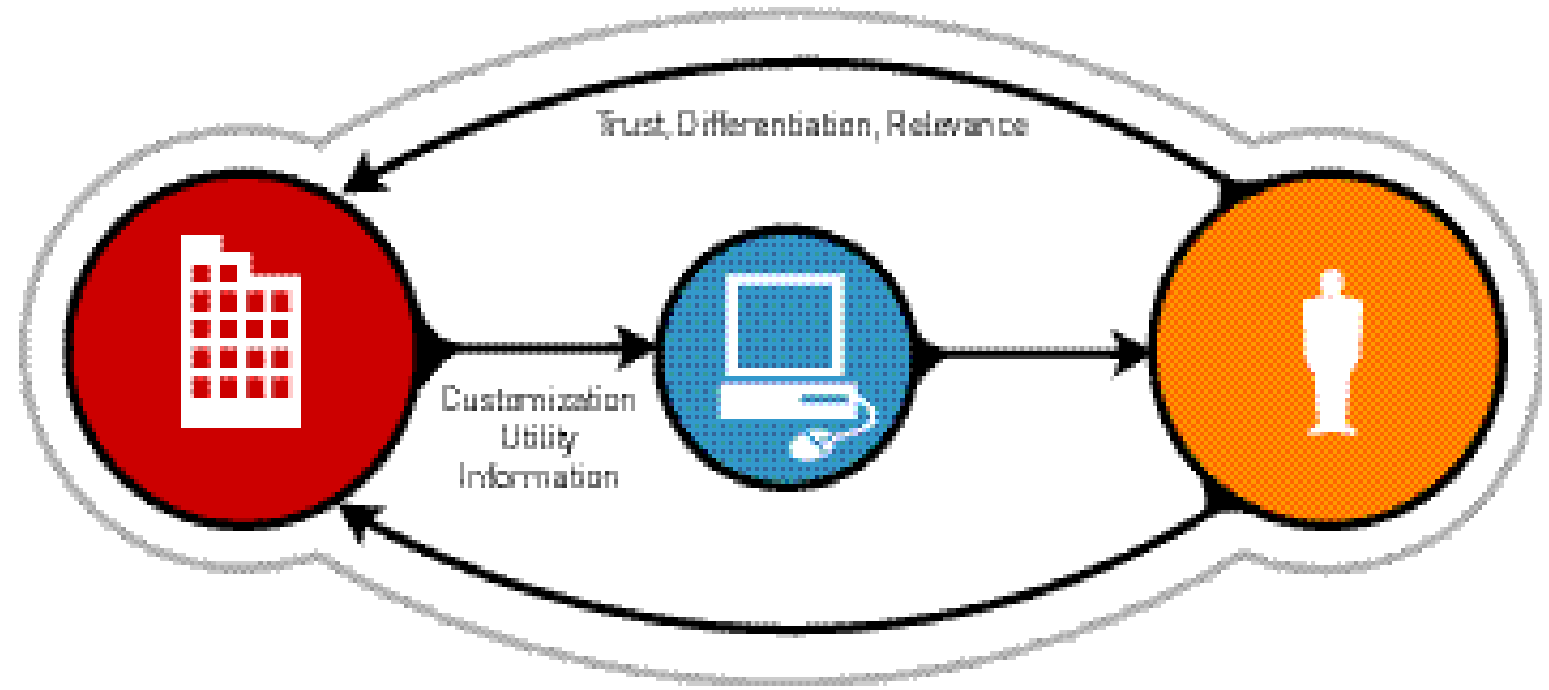


Digital Brand Fundamentals

How has the Internet affected brands?

The Internet has minimized the distance between companies and consumers, both in geography and experience. Every brand is now a global brand with the opportunity to build customer relationships in ways never before available. The Internet offers a brand the chance to establish a more intimate, one-on-one connection with the consumer.

The Internet combines the experiences of a communication medium and a distribution channel, creating a constant dialogue between the brand and the consumer. As the Internet becomes more ubiquitous and transparent, consumers will begin to use this channel as their primary contact with the brand. In this real-time experience, a brand must provide a customized experience, utility, and information to support the consumer's trust, differentiate itself from competitors, and remain relevant.

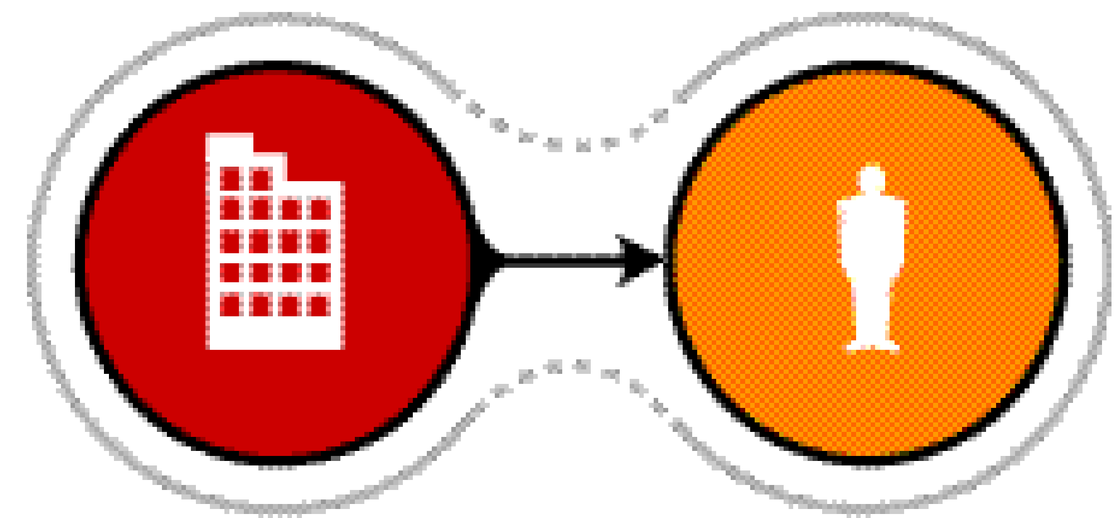


Digital Brand Fundamentals

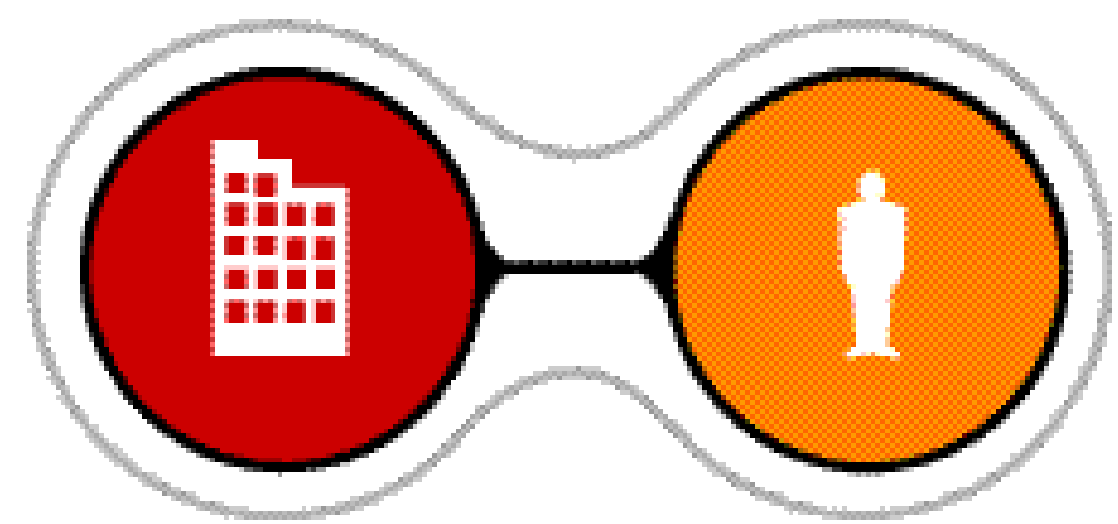
How does this change affect brand strategy?

Traditionally, brand strategy has focused on building the image of a company, product, or service through advertising, which is a one-way communication tool. The Internet is changing that. As an interactive communication medium, it provides the consumer the opportunity to experience the brand, transforming traditional, one-sided company-to-consumer messaging into a truly experiential, two-way interchange. As a result, a brand must now function as a living, multidimensional, integrated, and interactive experience between a company and its consumers.

TRADITIONAL



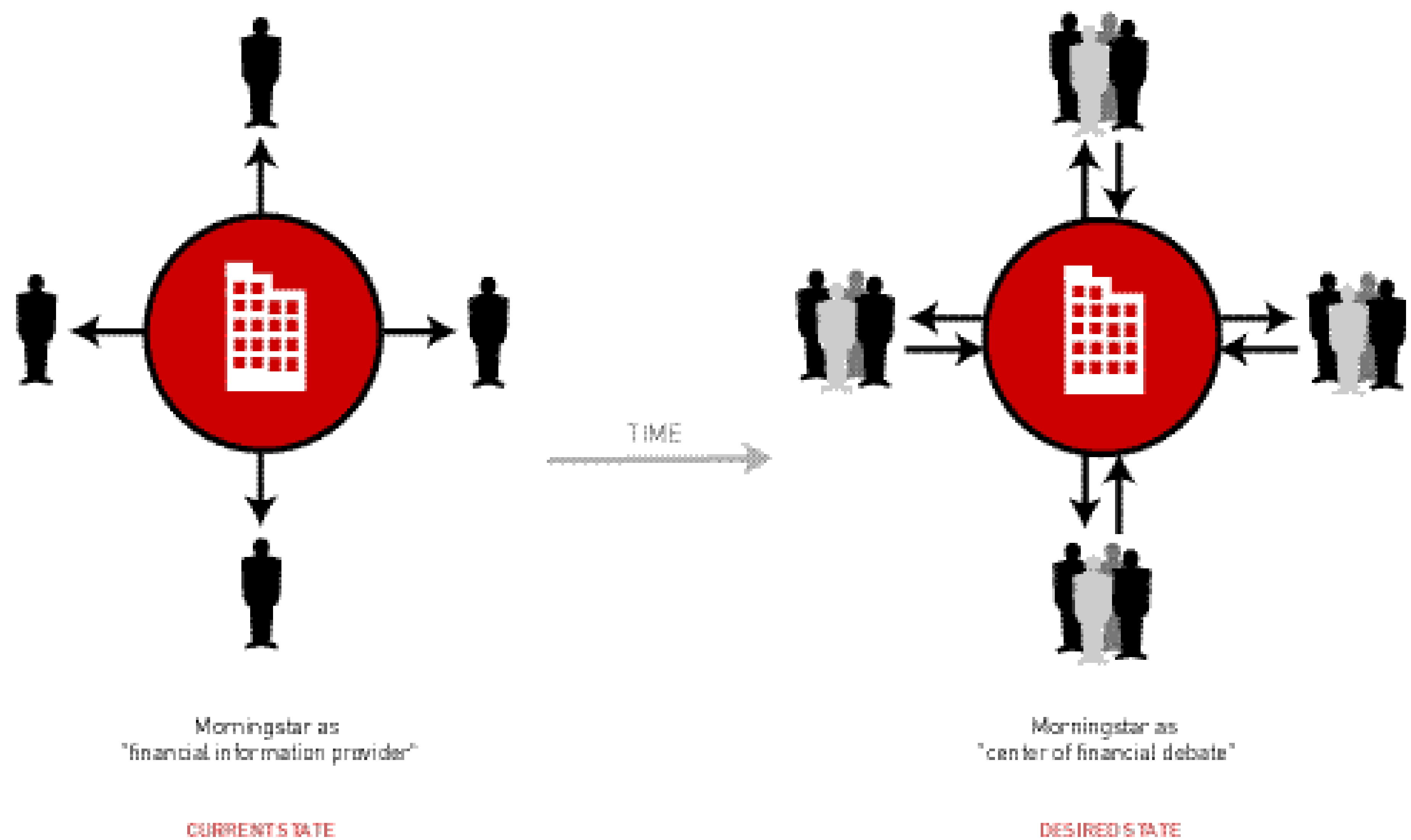
WITH INTERNET



Digital Brand Considerations

Brand evolution

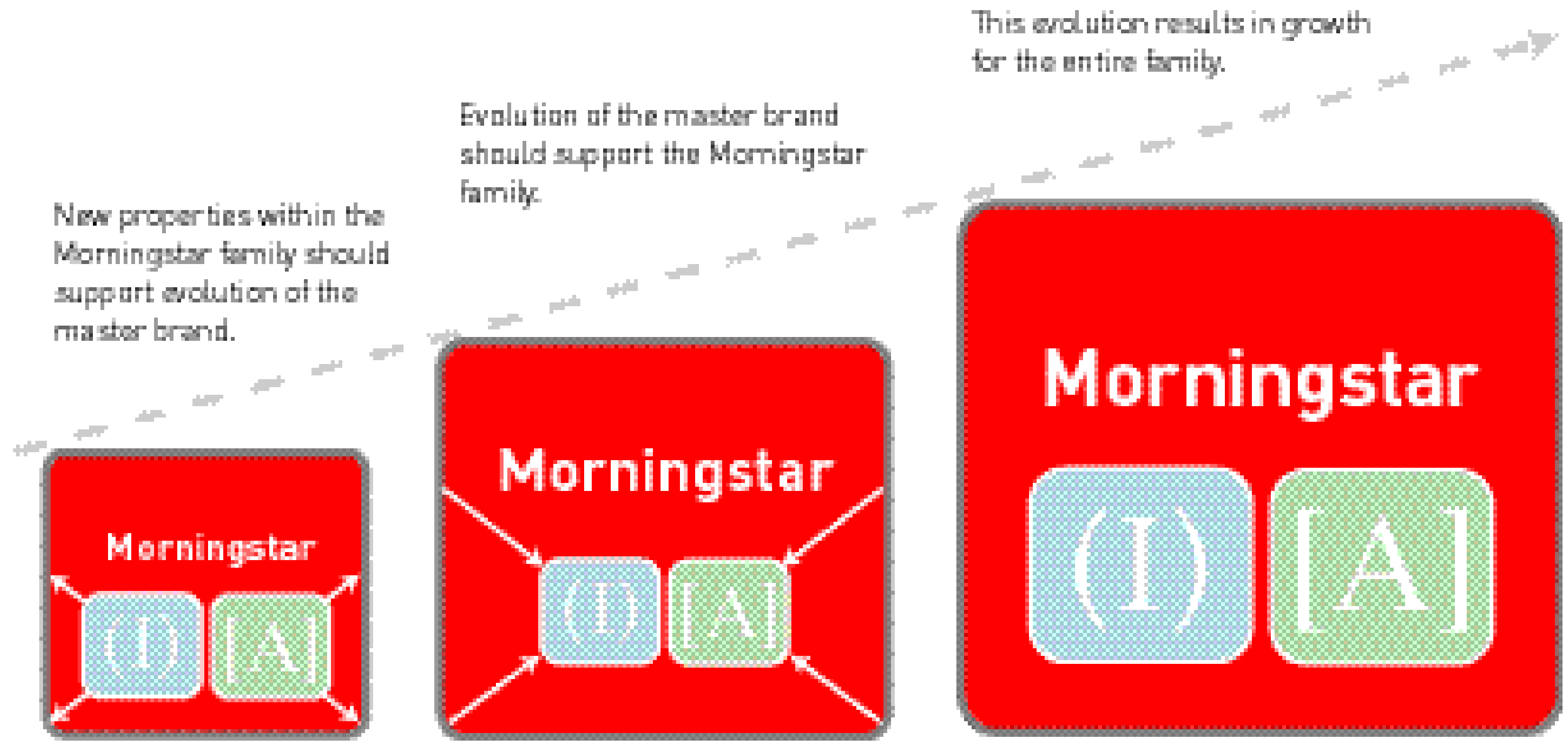
The Morningstar master brand will evolve to support Morningstar's goal to "host the marketplace of investment choice." The current perception of Morningstar is as a "financial information provider." Morningstar would like to be thought of as the "center of financial debate."



Digital Brand Considerations

Symbiotic growth

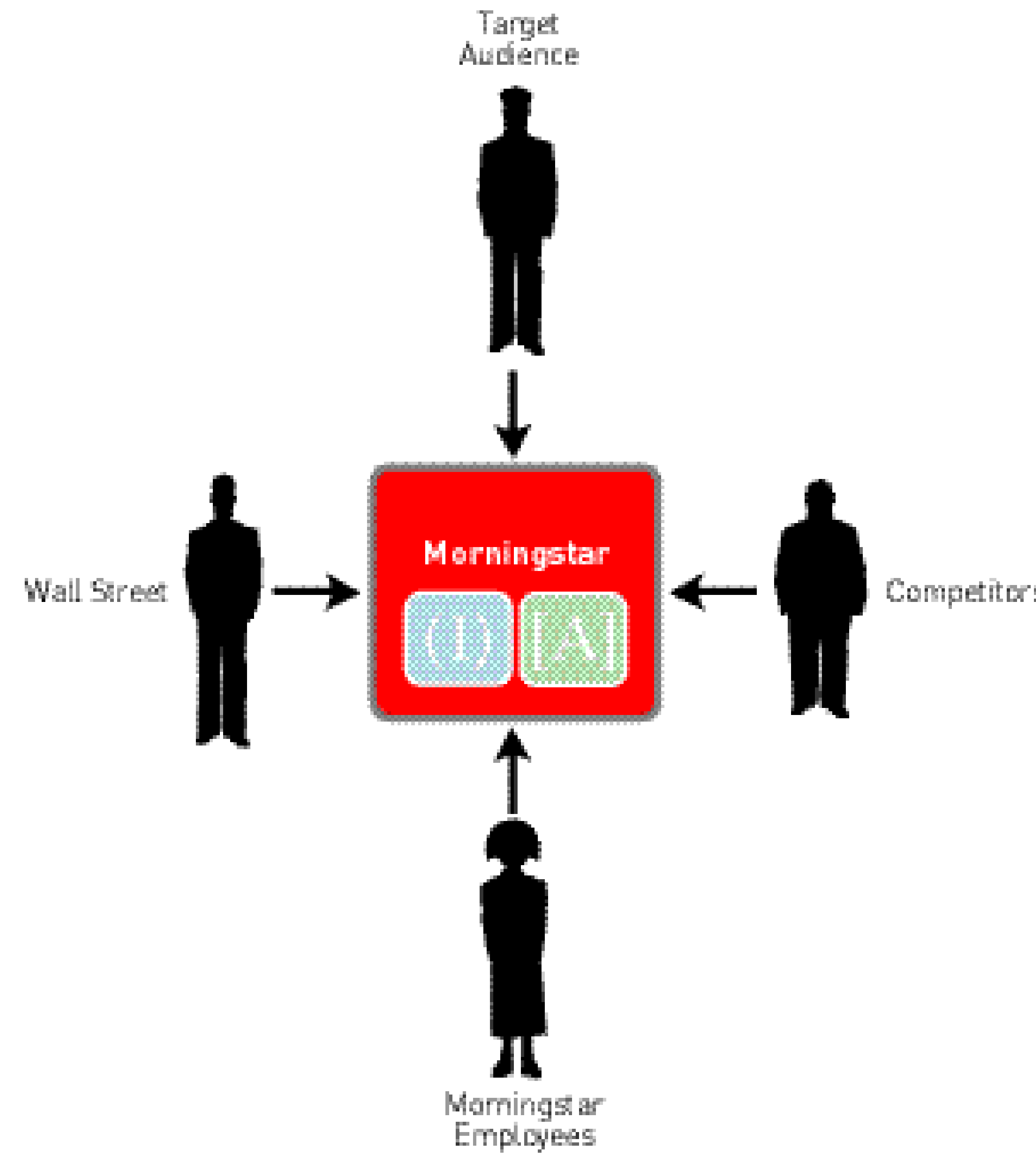
Any new properties in the Morningstar family should support the evolution of the master brand and be supported by the evolution of the master brand.



Digital Brand Considerations

Multi-facing approach

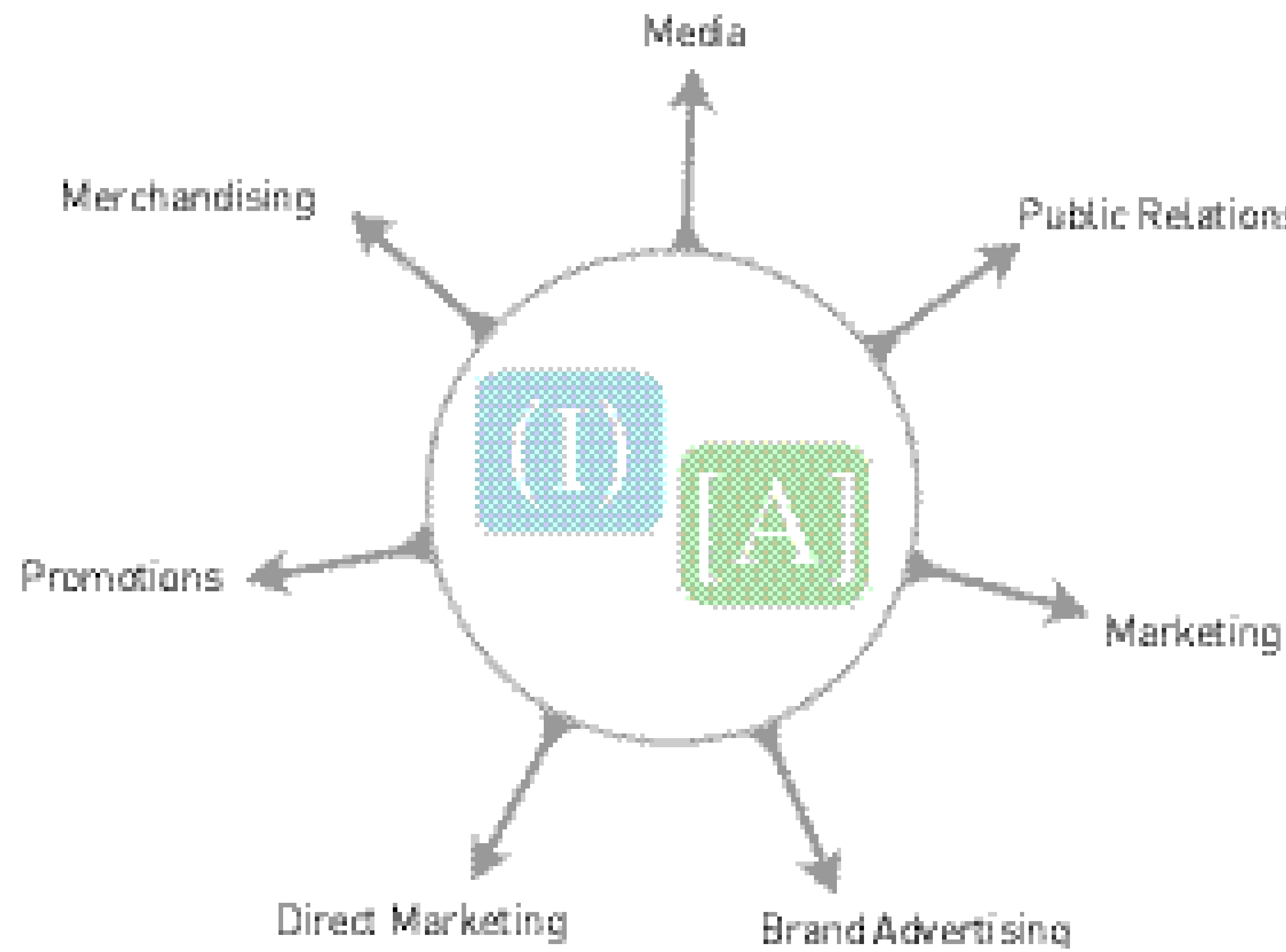
MorningstarAdvisor.com and MorningstarInstitutional.com are multi-facing and should be constructed so that they are credible to competitors, Wall Street, Morningstar employees, and most importantly, the target audience.



Digital Brand Considerations

Integrated communications

The branding concept provides focus for the creation and expansion of MorningstarAdvisor.com and MorningstarInstitutional.com. It also provides a foundation on which to develop integrated brand-building activities.



Digital Brand Considerations

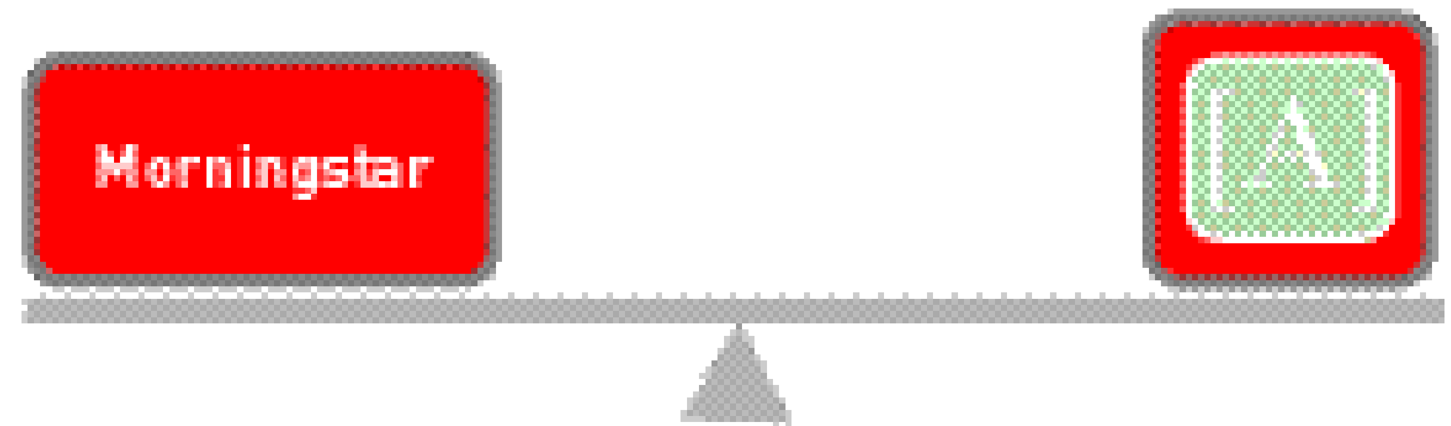
Leveraging the master brand

To leverage the master brand for MorningstarAdvisor.com and MorningstarInstitutional.com, we must first identify the brand's core associations and attributes. What does the brand mean to customers? From Discovery, we know that the Morningstar master brand is perceived as comprehensive, clarifying, established, empowering, independent, and objective.

Next, we must understand the master brand's boundaries. What are the links customers perceive between themselves and the Morningstar master brand? How strong are those links?

The Morningstar master brand has served people needing financial information for many years through print products, CD-ROMs, and, more recently the Web. The addition of MorningstarAdvisor.com and MorningstarInstitutional.com can be seen as both an extension of Morningstar's current products and as a large enhancement of those traditional efforts. Yet the foundation, or core strategy, of providing financial information remains the same for the sub-brands as for the master brand. Additionally, the core values of the sub-brands exist comfortably within the umbrella core values of the master brand. Thus, their inclusion in the Morningstar brand family leverages the Morningstar brand without pushing it beyond its limits.

The opportunity to create successful new identities lies in the ability to balance the current perceptions of Morningstar with the new perceptions of MorningstarAdvisor.com and MorningstarInstitutional.com. The Morningstar master brand is a valuable asset to both of these new sites, but these new sites' brands also need to cater more specifically to advisors and institutional customers than the current master brand does. The balance can be found in a well-executed sub-branding strategy.



Digital Brand Considerations

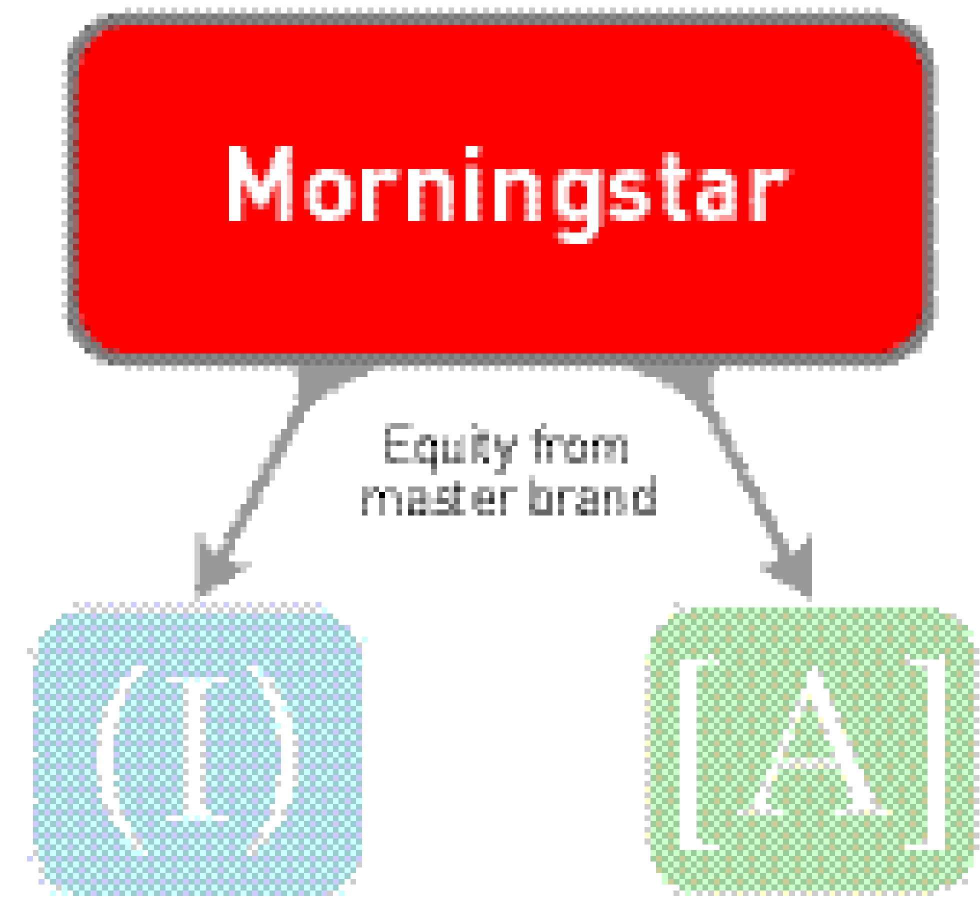
Sub-branding

For both MorningstarAdvisor.com and MorningstarInstitutional.com, Sapient recommends a sub-branding strategy that utilizes the equity of the master brand and develops a distinct online presence relevant to each target audience.

Adding a sub-brand can modify the master brand's meaning, so with each prospective extension of the master brand Morningstar must consider potential impacts on the entire brand portfolio. In this case, the additions support and are supported by Morningstar's master brand. By creating an online resource and community for advisors and an online data and analysis resource for Institutional Services customers, Morningstar serves the target audiences in new and relevant ways, and provides fundamental Morningstar services.

The MorningstarAdvisor.com and MorningstarInstitutional.com sub-brands will draw value from the strength of the Morningstar master brand. A sub-branding strategy will also reduce the risk of diluting the Morningstar master brand and reduce the financial support needed to build entirely new brand platforms. DuPont Stainmaster, Pepperidge Farm Goldfish, and Purina Dog Chow are examples of successful sub-branding strategies.

With a sub-branding strategy, the master brand remains the primary mark and the sub-brand is secondary.

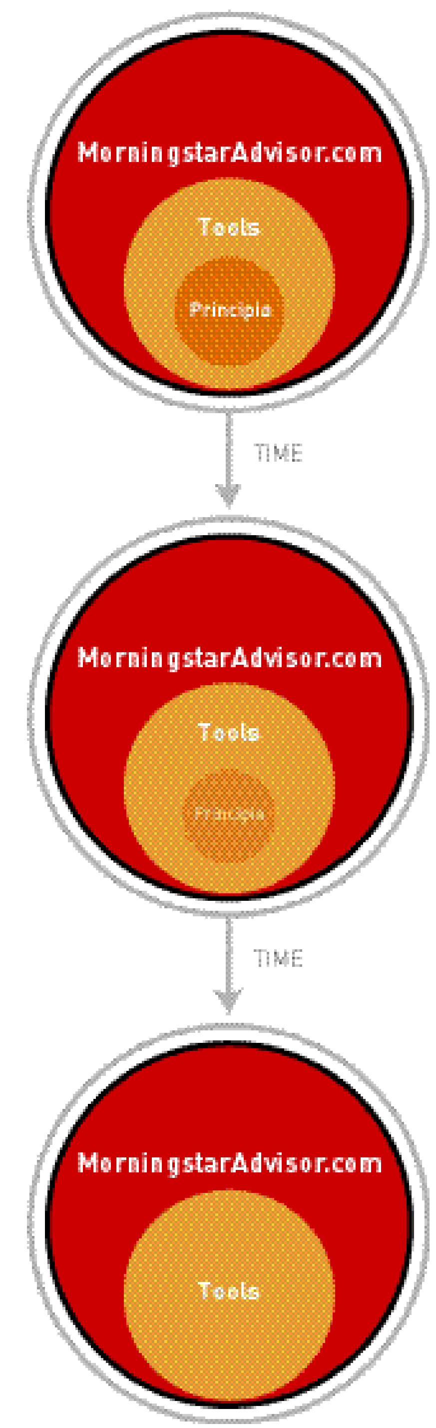


MorningstarAdvisor.com Digital Brand Considerations

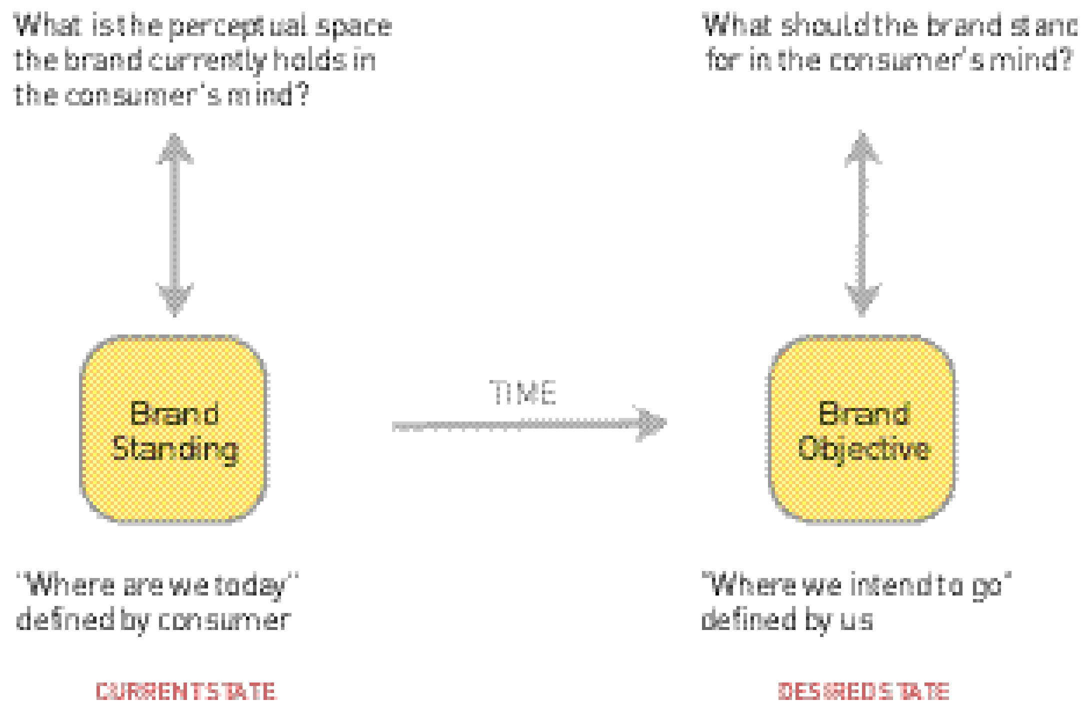
Principia brand role

On MorningstarAdvisor.com, Sapient recommends the use of a brand bundling strategy that incorporates Principia's brand.

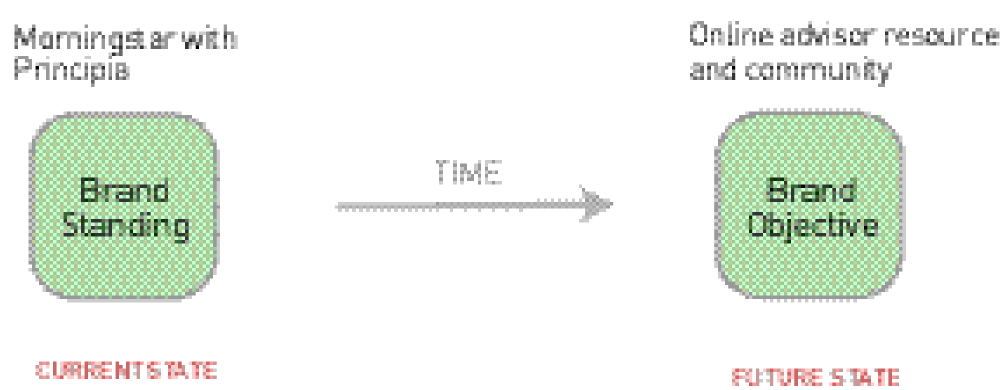
Brand bundling integrates one brand (the bundled brand) into a larger, more comprehensive brand (MorningstarAdvisor.com). The positive attributes of the bundled brand should fit seamlessly into the larger brand and add substance to this brand. In the case of MorningstarAdvisor.com, the presence of Principia will encourage migration to the new site of advisors who currently use the product. The Principia brand presence will not encompass the site's tool set, but will only be used in reference to tools similar those currently on Principia. Eventually, any mention of Principia on the Web site will be dropped. The tool set on MorningstarAdvisor.com will be more extensive than the tool set offered on Principia and should, therefore, not be hindered by the current perceptions of Principia.



MorningstarAdvisor.com Digital Brand Considerations



Therefore,



Branding Idea for MorningstarAdvisor.com

Branding idea platform

Role of the product

The most compelling role (i.e., functional/symbolic) the product category plays in the life of the target audience.

Role of MorningstarAdvisor.com:

- Enhances efficiency
- Supports the advisor's credibility
- Uniting

Function of the product

The product function is what the product does to fulfill its role.

Product: MorningstarAdvisor.com

What the product does: Helps conduct and grow business.

What the product fulfills: Supports the business of giving advice.

Core desire

The most deeply held desire—the need, want, or hope that the brand can best fulfill.

Core desire for MorningstarAdvisor.com

To create a more productive advisor.

Reason to believe

The most compelling rationale to support the role of the product.

Reason to believe in MorningstarAdvisor.com

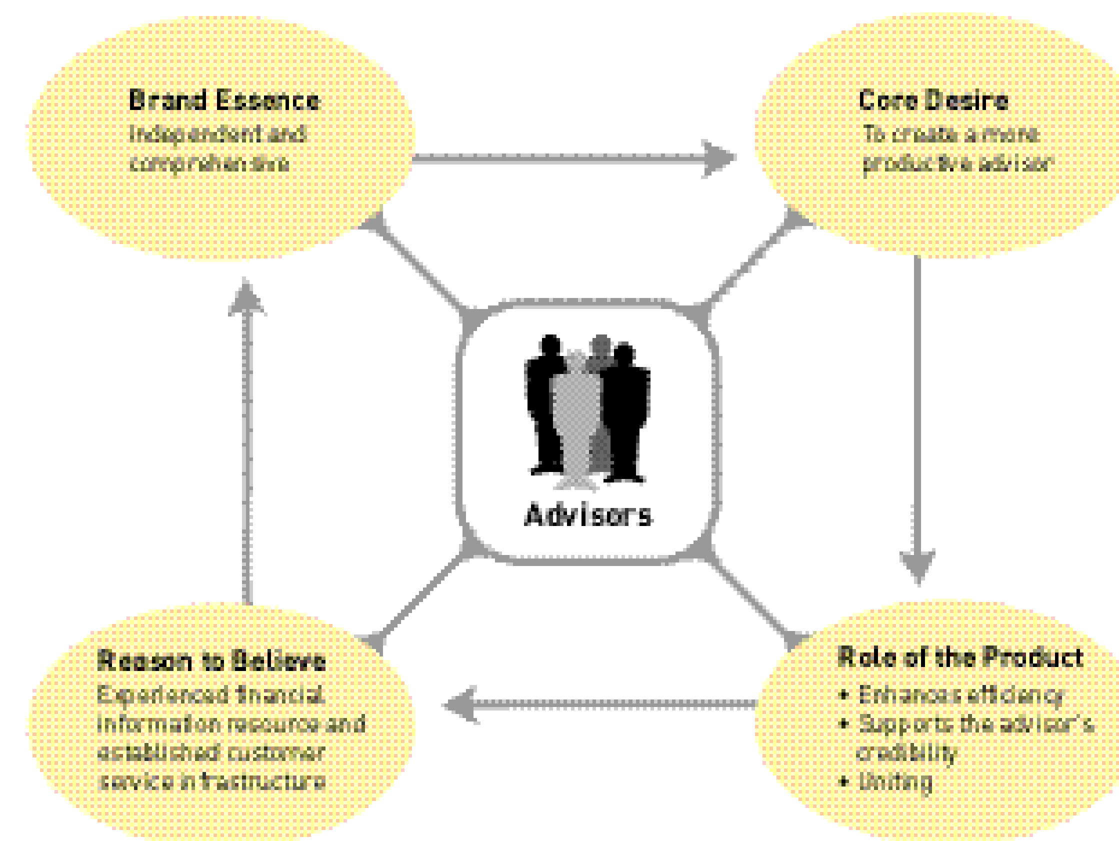
Experienced financial information resource and established customer service infrastructure.

Brand essence

The enduring spirit of the brand and how it speaks to the deeply held values of the target audience.

Brand essence of MorningstarAdvisor.com

Independent and comprehensive.



MorningstarAdvisor.com Brand Personality

MorningstarAdvisor.com Brand Personality

The brand personality answers two critical questions:

1. What are the characteristics (the "anatomy") that set the MorningstarAdvisor.com brand apart and adds value in the minds of the advisor audience?
2. What does the consumer believe the MorningstarAdvisor.com brand expresses, or could express?

MorningstarAdvisor.com Brand Anatomy

To place an effective new proposition into the marketplace, it is critical to understand the MorningstarAdvisor.com brand anatomy. A brand's anatomy comprises three elements: core values/attributes, brand benefits, and brand rationale. The following describes these elements as they apply to MorningstarAdvisor.com.

Core values

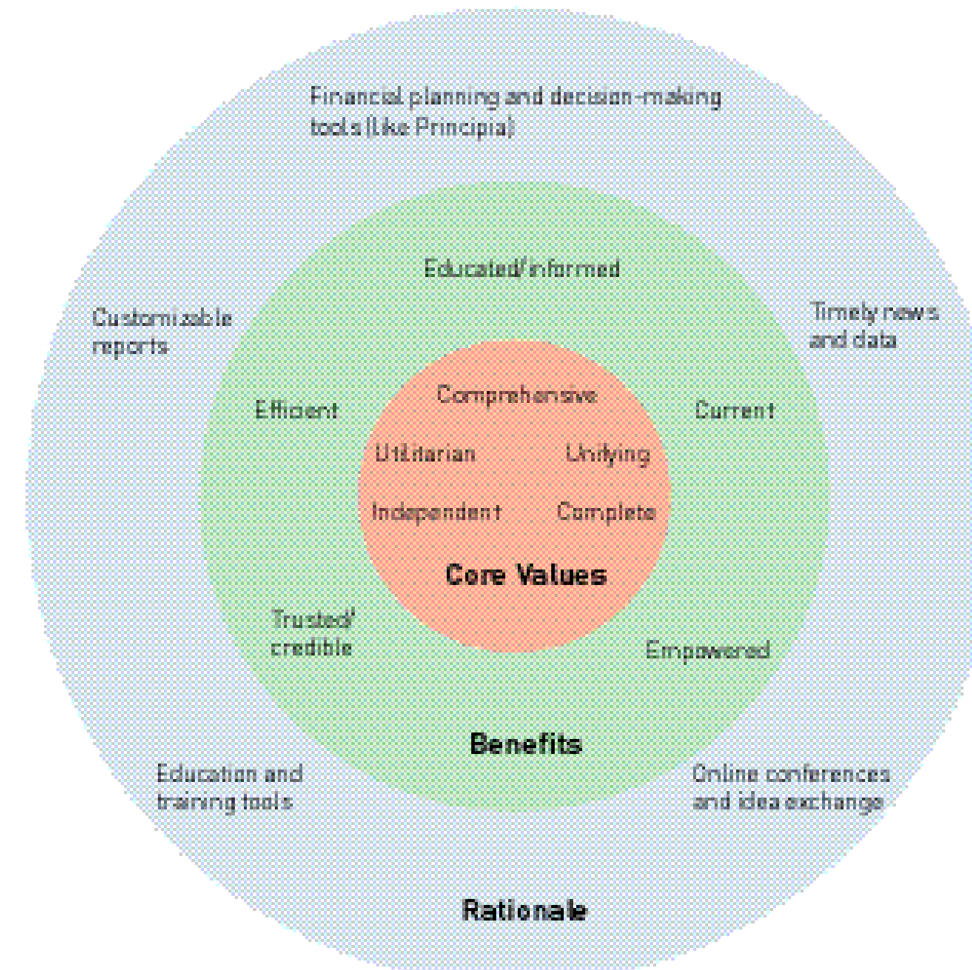
- Independent
- Comprehensive
- Utilitarian
- Unifying
- Complete

Benefits

- Trusted/credible
- Educated/informed
- Efficient
- Current
- Empowered

Rationale

- Financial planning and decision-making tools, like Principia
- Customizable reports
- Timely news and data
- Education and training tools
- Online conferences and idea



MorningstarAdvisor.com Brand Identity

MorningstarAdvisor.com Brand Expression of Personality

The MorningstarAdvisor.com brand is comprehensive, utilitarian, unifying, independent, and complete.

MorningstarAdvisor.com is comprehensive.

"MorningstarAdvisor.com is comprehensive because it offers both breadth and depth of investment information and a wide range of financial tools. Such product scope allows me to stay informed and provides solid analysis and analytic tools so I can service diverse clients effectively."

MorningstarAdvisor.com is utilitarian.

"MorningstarAdvisor.com is utilitarian because it is built to support my work, is easy-to-use, and offers the flexibility to customize information and reports. Such solution-oriented capabilities allow me to narrow my focus to relevant information and makes me efficient."

MorningstarAdvisor.com is unifying.

"MorningstarAdvisor.com is unifying, providing a community where advisors can connect with each other and with their product providers to exchange ideas and information. This exchange enables me to stay current with the changing marketplace."

MorningstarAdvisor.com is independent.

"MorningstarAdvisor.com is independent because its parent company/master brand, Morningstar, does not have any interest in the assets I manage for my clients. This allows me to trust the information Morningstar provides me, and lends me credibility in advising my clients."

MorningstarAdvisor.com is complete.

"MorningstarAdvisor.com is complete because it facilitates the planning, management, and ongoing monitoring of my clients' assets, while at the same time providing me with useful practice management guidance from industry participants and experts. This ability to leverage and expand my expertise empowers me to build and grow my business."

What is positioning?

Positioning is the bedrock upon which the MorningstarAdvisor.com brand is built. Positioning underlies all strategic brand decisions now and in the future. Engaging the target audience for the long-term requires time, money, and most importantly, consistency. To avoid causing consumer confusion, once established, the MorningstarAdvisor.com brand positioning should seldom change.

Positioning statements

The following positioning statements capture the MorningstarAdvisor.com brand's "reason for being" and create a unique brand identity:

- Provides a clear purchase rationale for the consumer
- Distinguishes the business from competitors in the consumer's eye
- Moves beyond brand identity, to consumer identity
- Helps advisors position themselves in their clients' minds

Six elements stand out in the MorningstarAdvisor.com brand's positioning statement:

1. Target customer
2. Brand name
3. Brand personality
4. Product/competitive frame
5. End benefit
6. Rationale support

Positioning statement

"MorningstarAdvisor.com is the comprehensive online resource and dynamic community that enables advisors to conduct and grow their business efficiently because of the fully integrated tools and actionable information delivered conveniently over the Web."

MorningstarAdvisor.com Digital Brand Identity

Visual Design

Morningstar's visual design helps differentiate it from competitors. Visual design guidelines ensure that the most important and influential aspects of Morningstar's identity are conveyed to customers in digital media.

Morningstar's visual design for MorningstarAdvisor.com must emphasize clarity, utility, and simplicity. The designs should stay relevant to and consistent with Morningstar's existing visual identity. Visual design in all elements should:

- Provide customers with a consistent, engaging, and valuable experience
- Support the customer's proficiency with the site's features, functionality, and editorial content
- Express the MorningstarAdvisor.com brand to the Advisor audience

The following guidelines explain the components that will make up Morningstar's visual design for MorningstarAdvisor.com in digital media. Visual design components include:

- Logo
- Color palette
- Typography
- Imagery
- Animation

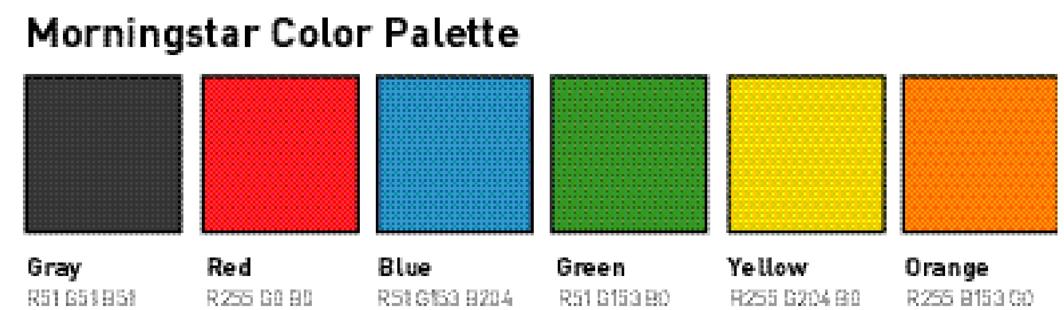
Logo

The logo should include both the master brand (Morningstar) and the new sub-brand (MorningstarAdvisor.com). The MorningstarAdvisor.com portion of the logo should complement, not overpower, the straightforward Morningstar logo, not unlike the Morningstar ClearFuture logotype. The arrangement of the two elements in the logo (Morningstar and MorningstarAdvisor.com) should reflect the nature of the master brand to sub-brand relationship. Also, the logo should convey a logical connection to the address of the site, www.morningstaradvisor.com.

These logotypes represent a possible look and feel for the MorningstarAdvisor.com identity. These treatments are based on an understanding of the Morningstar identity guidelines document, including its presentation of the identities for both Morningstar.com and Morningstar Clear Future. They should be considered "sketches" of some possibilities, rather than a final mark for the brand. We recommend a more thorough investigation of the MorningstarAdvisor.com logotype, based on the brand recommendations and the existing Morningstar identity guidelines, when moving forward.

Color palette

The MorningstarAdvisor.com color palette should be consistent with the palette used with other Morningstar materials but should have it own distinct look in relation to the current Morningstar.com site. Advisors should feel they are involved in a different experience on MorningstarAdvisor.com compared with their experience on Morningstar.com. Overall, the palette should emphasize clarity, utility, and simplicity, which can be expressed by minimizing the number of colors used.



Although some customers will be able to view colors outside the 216-color Web-safe palette, Morningstar should limit its choice of colors to those within this palette to minimize involuntary color shifts for standard users.

MorningstarAdvisor.com Digital Brand Identity

Typography

MorningstarAdvisor.com typography should remain consistent with the typography of the Morningstar brand. Overall, MorningstarAdvisor.com should use typography that is easy to read, regardless of its size and spacing. However, because typography presentation varies according to the customer's browser, digital typography systems need to allow for flexibility.

Morningstar Fonts

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
Garamond (Adobe)

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
Futura (Linotype)

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
Univers Condensed

Acceptable for Web Usage

Trebuchet
Arial
Helvetica
Times

Imagery

MorningstarAdvisor.com's brand personality is differentiated, in large part, by its position as independent, comprehensive, utilitarian, unifying, and complete. Customers should perceive these qualities in any illustrations, graphics, or photography used.

Animation

Providing an efficient user experience on MorningstarAdvisor.com dictates that animation be avoided in most cases. However, animation is acceptable if it makes the interface easier to use.

Performance

In addition to the influence of visual design, opportunities exist to brand the customer experience through content, usability, technology, and service. Appendix D discusses how the content might represent the brand. The following guidelines describe how the other aspects of MorningstarAdvisor.com may be represented online.

Usability

The online performance of the brand can be measured by how easily an advisor interacts with MorningstarAdvisor.com and its many features. Web users will judge the brand on how quickly they can accomplish a task or obtain information on the site. To facilitate usability the site should provide:

Useful tools

Tools should be developed to allow advisors to conduct and grow their business efficiently. The steps required to extract or analyze data should be simple and give advisors a sense that their time is being well spent.

Clear, intuitive navigation

Navigational structure should be consistent within MorningstarAdvisor.com. It should be scalable or flexible enough to accommodate the expansion of new content areas or new tools. Advisors should easily understand the flow and grouping of information.

Concise, intuitive instructions

Concise commands and questions should guide customers through the MorningstarAdvisor.com's site. Such language will increase usability and ultimately allow the customer to spend more productive time on the site.

Fast-loading data and applications

MorningstarAdvisor.com should be easy to access, with pages, data, and applications that download quickly. Cumbersome, time-consuming graphics or technologies will have a negative effect on usability, while the careful, efficient, and optimal use of technology will strengthen the MorningstarAdvisor.com brand.

Clear, hierarchical information structures

The architecture of data should always be consistent with customers' needs. MorningstarAdvisor.com must present a clear information hierarchy that follows a logical path from general to detailed information. The architectural structure should be rational and scalable, and should accommodate added content and tools without disrupting established patterns—bookmarks, log-in processes.

Technology

New technologies introduce innovative and unique opportunities to reinforce the MorningstarAdvisor.com brand. To be perceived as useful and personal, Morningstar should carefully consider using new technologies on MorningstarAdvisor.com.

Relevant, high-performance functionality

New front-end technologies should only be used if they increase usability and are universally compatible with the customer's computer and computer skill level.

Any features that require a plug-in not included in most browsers should be avoided. New technologies come and go very rapidly and should be, to some degree, time-tested before Morningstar uses them. For MorningstarAdvisor.com, innovation should be defined as discovering new ways to use proven technology.

Any functionality should apply directly to customers' needs or their relationships with Morningstar. After Morningstar assesses the needs, it should weigh the functionality's accuracy, speed, and usefulness against those needs.

Functionality that does not work perfectly will devalue the advisor's perception of MorningstarAdvisor.com and Morningstar. Similarly, unnecessary functionality dilutes the brand.

Personalized automation

Morningstar should provide customized, personal experiences for the advisor audience. A customized site will give faster access to pertinent information, which allows visitors to feel a greater sense of efficiency and enhanced daily utility.

MorningstarAdvisor.com Digital Brand Identity

Service

The speed at which the Web delivers information leads customers to expect a higher-than-ever level of service.

Continuous, personal feedback

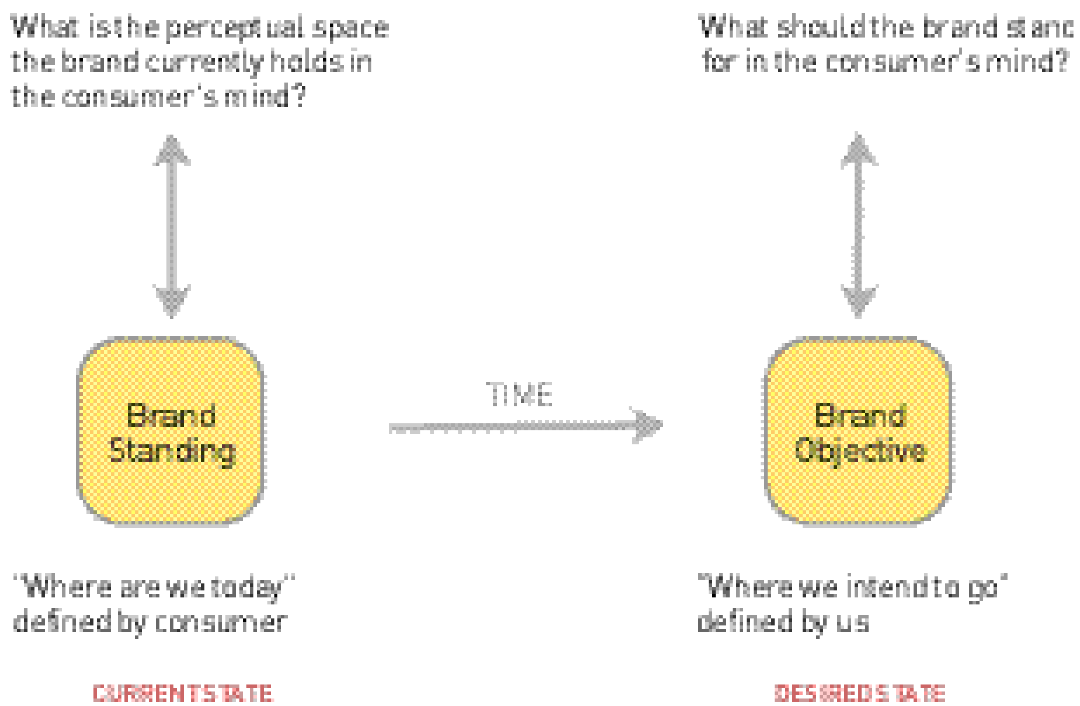
Feedback should be given to customers during their interaction with the site. This feedback may come in different forms, including visual or audio cues that indicate the completion of a task or request, or which suggest a secondary tool that will be helpful in further analysis.

Feedback should always introduce elements of personalization to the greatest extent possible. For example, email responses may include a photo of the Morningstar employee who replies, or the site can welcome the user by name upon log-in, etc.

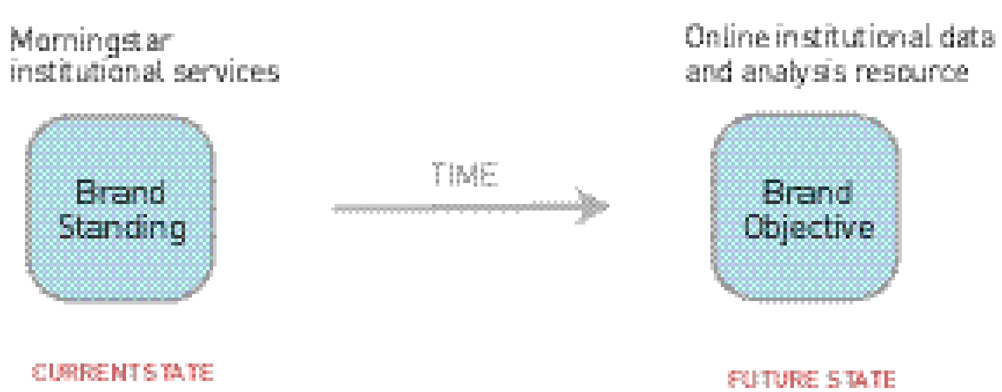
Clear information about request processing

Fulfillment of transactional and informational requests should be clear and trouble-free. Morningstar must also provide virtually instantaneous feedback via email, telephone, fax, or other appropriate medium.

MorningstarInstitutional.com Digital Brand Considerations



Therefore,



Branding Idea For MorningstarInstitutional.com

Branding idea platform

Role of the product

The most compelling role (i.e., functional/symbolic) the product category plays in the life of the target audience.

Roles of MorningstarInstitutional.com

- Time saver
- Resource for flexible, easy-to-access data
- Source of credibility (for institutional marketers)

Function of the product

The product function is what the product does to fulfill its role.

Product: MorningstarInstitutional.com

What the product does: Provides timely, accurate, and usable data and tools to manipulate the data.

What the product fulfills: Building block for research and marketing efforts.

Core desire

The most deeply held desire—the need, want, or hope that the brand can best fulfill.

Core desire for MorningstarInstitutional.com

Maximize efficiency and effectiveness of customers' research and marketing efforts.

Reason to believe

The most compelling rationale to support the role of the product

Reason to believe in MorningstarInstitutional.com

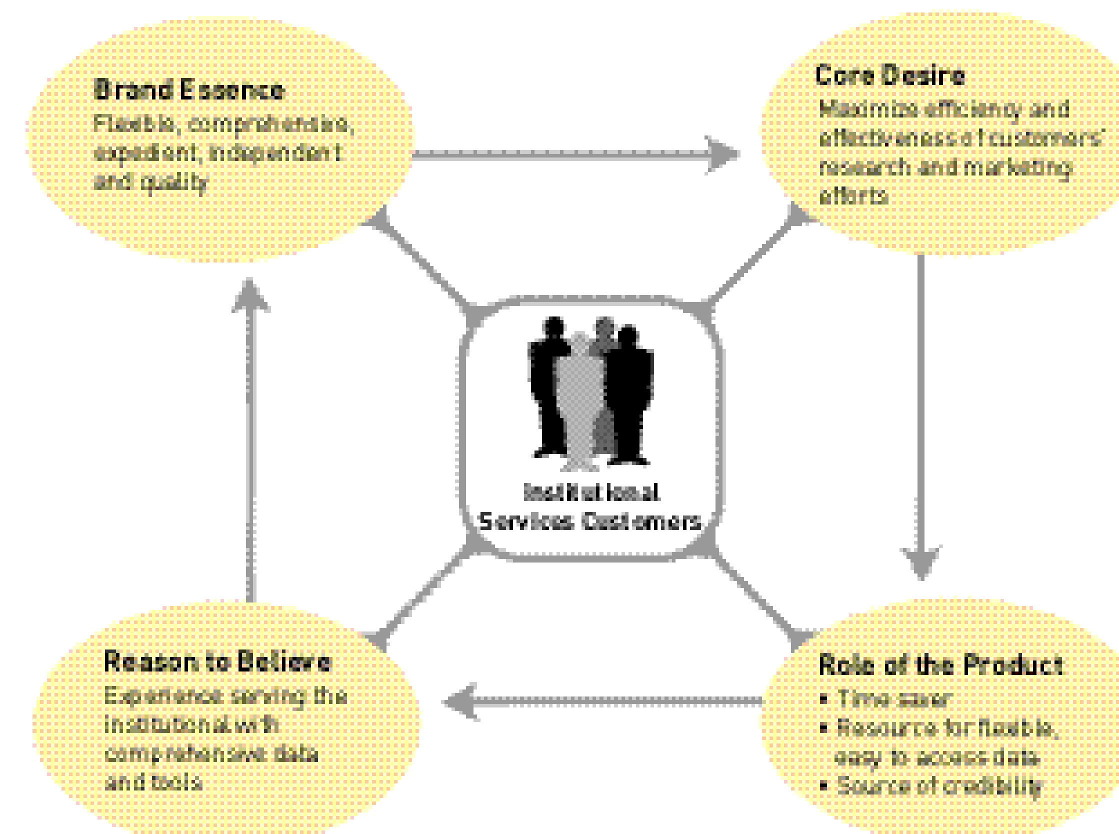
Experience serving the institutional market with comprehensive data and tools.

Brand essence

The enduring spirit of the brand and how it speaks to the deeply held values of the target audience.

Brand essence of MorningstarInstitutional.com

Flexible, comprehensive, expedient, independent, and quality.



MorningstarInstitutional.com Brand Personality

The brand personality answers two critical questions:

1. What are the characteristics (the "anatomy") that set the MorningstarInstitutional.com brand apart and adds value in the minds of the Institutional Services audience?
2. What does the consumer believe the MorningstarInstitutional.com brand expresses, or could express?

MorningstarInstitutional.com Brand Anatomy

To place an effective new proposition into the marketplace, it is critical to understand the MorningstarInstitutional.com brand anatomy. A brand's anatomy comprises three elements: core values/attributes, brand benefits, and brand rationale. The following describes these elements as they apply to MorningstarAdvisor.com.

Core values

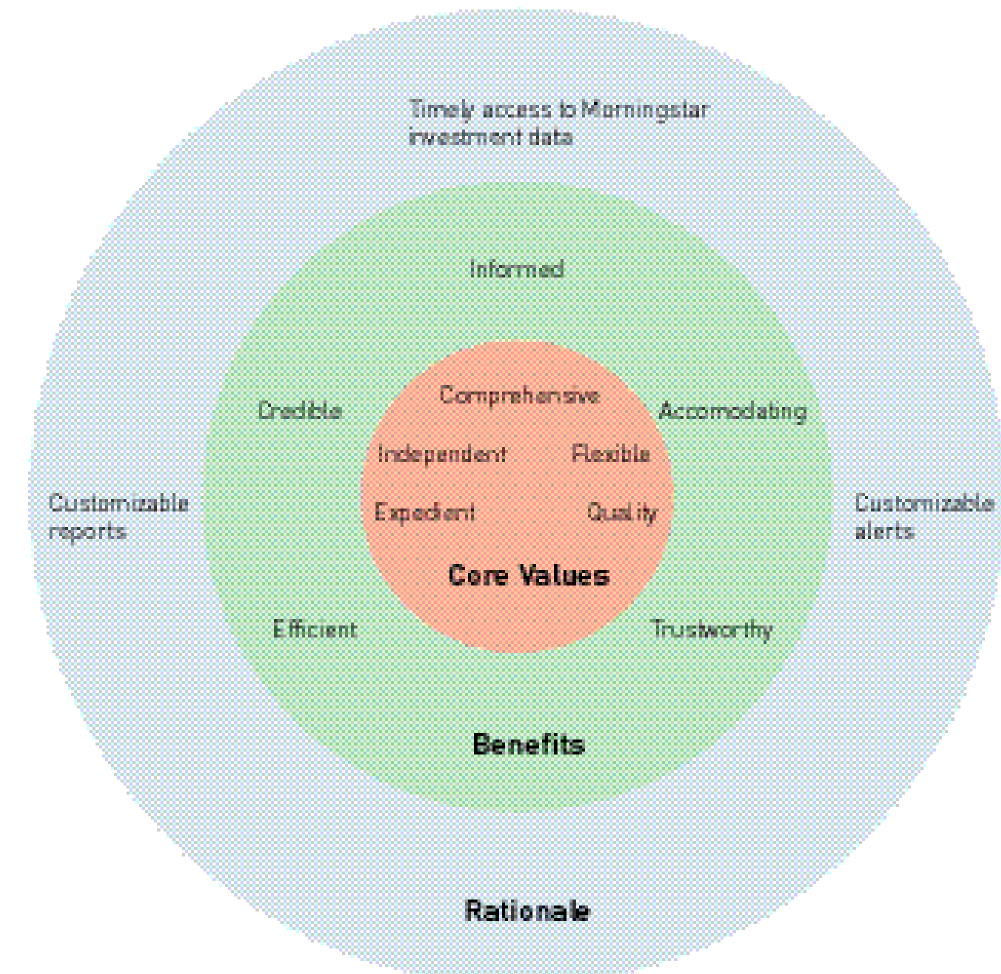
- Comprehensive
- Independent
- Flexible
- Expedient
- Quality

Benefits

- Informed
- Credible
- Accommodating
- Efficient
- Trustworthy

Rationale

- Customizable reports
- Timely access to Morningstar investment data
- Customizable alerts



MorningstarInstitutional.com Brand Personality

MorningstarInstitutional.com Brand Expression of Personality

The MorningstarInstitutional.com brand is comprehensive, independent, flexible, expedient, and quality

MorningstarInstitutional.com is comprehensive.

"MorningstarInstitutional.com is comprehensive because it offers both breadth and depth of timely and accurate data and the tools to manipulate it. This keeps me informed and enables me to conduct research and marketing efforts effectively."

MorningstarInstitutional.com is independent.

"MorningstarInstitutional.com maintains independence because its parent company/master brand, Morningstar, does not own, operate, or hold any interest in mutual funds, stocks or insurance products. This lends me credibility in my company and the marketplace."

MorningstarInstitutional.com is flexible.

"MorningstarInstitutional.com provides flexibility for an ever changing marketplace because its data is customizable and easily accessible and usable. Such accommodation allows me to get the data exactly the way I want it, when I want it."

MorningstarInstitutional.com is expedient.

"MorningstarInstitutional.com is expedient because it allows me to access data quickly and is easy-to-use. This makes best use of my time and makes me efficient."

MorningstarInstitutional.com is quality.

"MorningstarInstitutional.com provides quality data that is accurate and up-to-date. This allows me to trust the data I use in my research and marketing efforts."

What is positioning?

Positioning is the bedrock upon which the MorningstarInstitutional.com brand is built. Positioning underlies all strategic brand decisions now and in the future. Engaging the target audience for the long-term requires time, money, and most importantly, consistency. To avoid causing consumer confusion, once established, the MorningstarInstitutional.com brand positioning should seldom change direction.

Positioning statements

The following positioning statements capture the MorningstarInstitutional.com brand's "reason for being" and create a unique brand identity:

- Provides a clear purchase rationale for the consumer
- Distinguishes the business from competitors in the consumer's eye
- Moves beyond brand identity to consumer identity
- Helps advisors position themselves in their clients' minds

Six elements stand out in the MorningstarInstitutional.com brand's positioning statement:

1. Target customer
2. Brand name
3. Brand personality
4. Product/competitive frame
5. End benefit
6. Rationale support

Positioning statement

"For investment research and marketing managers, MorningstarInstitutional.com is the flexible online data and analysis resource that enables customers to perform their research and marketing efforts efficiently, effectively, and with credibility, because it offers access to comprehensive and timely data and analytical tools."

MorningstarInstitutional.com Digital Brand Considerations

Principia brand role

Principia has a level of awareness among institutional customers. It is a tool that some use and with which others are familiar. However, for this audience, Principia's value as a brand is minimal. Morningstar's relationship with institutional customers is based on the equity of the Morningstar brand and the quality data that Morningstar provides. These customers view Principia only as a tool to get that data and, moreover, as a tool designed for advisors. The launch of the MorningstarInstitutional.com site is an opportunity to create institutional–specific associations for the tools acquired from Principia, the site should not bind itself to the Principia brand. The experience for customers on MorningstarInstitutional.com will be unlike any experience they have had with Principia.

MorningstarInstitutional.com Digital Brand Identity

Visual Design

Morningstar's visual design helps differentiate its from competitors. Visual design guidelines ensure that the most important and influential aspects of Morningstar's identity are conveyed to customers in digital media.

Morningstar's visual design for MorningstarInstitutional.com must emphasize clarity, utility, and simplicity. The designs should stay relevant to and consistent with Morningstar's existing visual identity. Visual design in all elements should:

- Provide customers with a consistent, engaging, and valuable experience
- Support the customer's proficiency with the site's features, functionality, and editorial content
- Express the MorningstarInstitutional.com brand to the Institutional Services audience

The following guidelines explain the components that will make up Morningstar's visual design for MorningstarInstitutional.com in digital media. Visual design components include:

- Logo
- Color palette
- Typography
- Imagery
- Animation

Logo

The logo should include both the master brand (Morningstar) and the new sub-brand (MorningstarInstitutional.com). The MorningstarInstitutional.com portion of the logo should complement, not overpower, the straightforward Morningstar logo, not unlike the Morningstar ClearFuture logotype. The arrangement of the two elements in the logo (Morningstar and MorningstarInstitutional.com) should reflect the nature of the master brand to sub-brand relationship. Also, the logo should convey a logical connection to the address of the site, www.morningstarinstitutional.com.

MORNINGSTAR Institutional.com

MORNINGSTAR Institutional.com
INSTITUTIONAL TAGLINE GOES HERE.

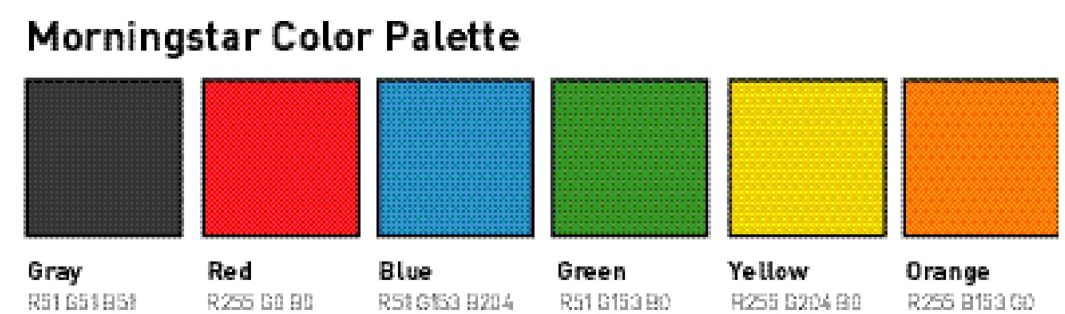
These logotypes represent a possible look and feel for the MorningstarInstitutional.com identity. These treatments are based on an understanding of the Morningstar identity guidelines document, including its presentation of the identities for both Morningstar.com and Morningstar Clear Future. They should be considered "sketches" of some possibilities, rather than a final mark for the brand. We recommend a more thorough investigation of the MorningstarInstitutional.com logotypes, based on the brand recommendations and the existing Morningstar identity guidelines, when moving forward.

MORNINGSTAR Institutional.com

MORNINGSTAR Institutional.com
INSTITUTIONAL TAGLINE GOES HERE.

Color palette

The MorningstarInstitutional.com color palette should be consistent with the palette used with other Morningstar materials, but should have its own distinct look in relation to the current Morningstar.com site. Institutional Services customers should feel they are involved with an experience on MorningstarInstitutional.com that is different from any experience they might have had on Morningstar.com. Overall, the palette should emphasize clarity, utility, and simplicity, which can be expressed by minimizing the number of colors used.



Although some customers will be able to view colors outside the 216 color-Web-safe palette, Morningstar should limit its choice of colors to those within this palette to minimize involuntary color shifts for standard users.

MorningstarInstitutional.com Digital Brand Identity

Typography

MorningstarInstitutional.com typography should remain consistent with the typography of the Morningstar brand. Overall, MorningstarInstitutional.com should use typography that is easy to read, regardless of its size and spacing. However, because typography presentation varies according to the customer's browser, digital typography systems need to allow for flexibility.

Morningstar Fonts

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
Garamond (Adobe)

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
Futura (Linotype)

abcdefghijklmnopqrstuvwxyz
ABCDEFGHIJKLMNOPQRSTUVWXYZ
Univers Condensed

Acceptable for Web Usage
Trebuchet
Arial
Helvetica
Times

Imagery

MorningstarInstitutional.com's brand personality is differentiated, in large part, by its position as comprehensive, independent, dynamic, expedient, and quality. Customers should perceive these qualities in any illustrations, graphics, or photography used.

Animation

Providing an efficient user experience on MorningstarInstitutional.com dictates that animation be avoided in most cases. However, animation is acceptable if it makes the interface easier to use.

Performance

In addition to the influence of visual design, opportunities exist to brand the customer experience through content, usability, technology, and service. Appendix D discusses how the content might represent the brand. The following guidelines describe how the other aspects of MorningstarInstitutional.com may be represented online.

Usability

The online performance of the brand can be measured by how easily an Institutional Services customers interacts with MorningstarInstitutional.com and its many features. Web users will judge the brand on how quickly they can extract and analyze data on the site. To facilitate usability the site should provide:

Useful tools

Tools should be developed to allow MorningstarInstitutional.com customer to perform their research and marketing efforts efficiently and effectively. The steps required to extract and analyze data should be simple and give Institutional Services customers a sense that their time is being well spent.

Clear, intuitive navigation

Navigational structure should be consistent within MorningstarInstitutional.com. It should be scalable or flexible enough to accommodate the expansion of new tools or content areas. Institutional Services customers should easily understand the flow and grouping of information.

Concise, intuitive instructions

Concise commands and questions should guide customers through the MorningstarInstitutional.com's site. Such language will increase usability and ultimately allow the customer to spend more productive time on the site.

Fast-loading data and applications

MorningstarInstitutional.com should be easy to access, with pages, data, and applications that download quickly. Cumbersome, time-consuming graphics or technologies will have a negative effect on usability, while the careful, efficient, and optimal use of technology will strengthen the MorningstarInstitutional.com brand.

Clear, hierarchical information structures

The architecture of data should always be consistent with customers' needs. MorningstarInstitutional.com must present a clear information hierarchy that follows a logical path from general to detailed information. The architectural structure should be rational and scalable, and should accommodate added content and tools without disrupting established patterns—bookmarks, log-in processes.

Technology

New technologies introduce innovative and unique opportunities to reinforce the MorningstarInstitutional.com brand. To be perceived as useful and personal, Morningstar should carefully consider using new technologies on MorningstarInstitutional.com.

Relevant, high-performance functionality

New front-end technologies should only be used if they increase usability and are universally compatible with the customer's computer and computer skill level.

Any features that require a plug-in not included in most browsers should be avoided. New technologies come and go very rapidly and should be, to some degree, time-tested before Morningstar uses them. For MorningstarInstitutional.com, innovation should be defined as discovering new ways to use proven technology.

Any functionality should apply directly to customers' needs or their relationship with Morningstar. After Morningstar assesses the needs, it should weigh the functionality's accuracy, speed, and usefulness against those needs.

Functionality that does not work perfectly will devalue the advisor's perception of MorningstarInstitutional.com and Morningstar. Similarly, unnecessary functionality dilutes the brand.

MorningstarInstitutional.com Digital Brand Identity

Personalized automation

Morningstar should provide customized, personal experiences for the Institutional Services customer. A customized site will give faster access to pertinent information, which allows visitors to feel a greater sense of efficiency and enhanced daily utility.

Service

The speed at which the Web delivers information leads customers to expect a higher-than-ever level of service.

Continuous, personal feedback

Feedback should be given to customers during their interaction with the site. This feedback may come in different forms, including visual or audio cues that indicate the completion of a task or request, or which suggest a secondary tool that will be helpful in further analysis.

Feedback should always introduce elements of personalization to the greatest extent possible. For example, email responses may include a photo of the Morningstar employee who replies, or upon log-in the site can welcome the user by name, etc.

Clear information about request processing

Fulfillment of transactional and informational requests should be clear and trouble-free. Morningstar must also provide virtually instantaneous feedback via email, telephone, fax, or other appropriate medium.

Review of Existing Morningstar Visual Design

The design of existing Morningstar materials must be considered when developing the future brand and visual identities of MorningstarAdvisor.com and MorningstarInstitutional.com. The current visual design—primarily divided between a strong logotype, print, and packaging design, and the existing Morningstar.com site—consists of a myriad of looks and colors that call for a cohesive visual family.

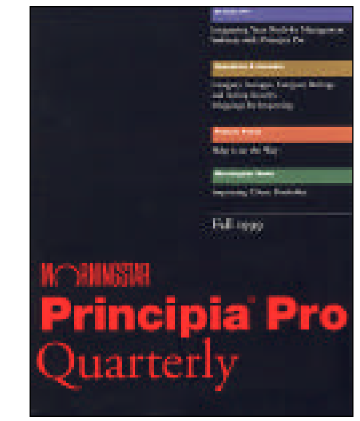
Logotype

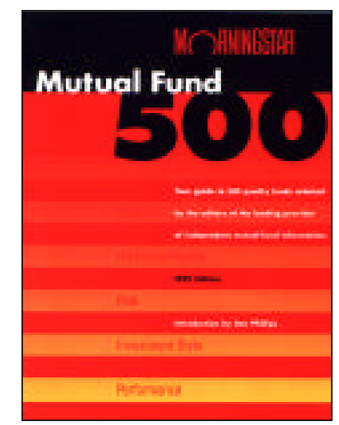
The current logotypes is strong and consistently used on the Web, CDs, and even coffee mugs. Designed by Paul Rand, the logotype remains one of the most appealing aspects of the Morningstar visual identity.

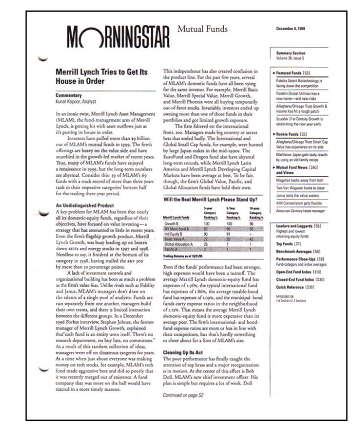
MORNINGSTAR

Print collateral

Diverse publications and products have broadened the range of possible look-and-feel for the Morningstar visual family. Through somewhat uniform use of shapes, colors, and the Morningstar logo, a visual consistency is maintained.







Morningstar.com Visual Assessment

Morningstar.com is a retail site, targeting both individual and professional investors. The site is editorial-based, with almost every page providing a wealth of information and links both vertically and horizontally. The site provides quick access to stock and fund information, giving a "snapshot" of the statistics by translating performance data into charts and graphs. Due to the vast amount of information, the design must be very structured. A simple layout, visual cues, and consistent visual vocabulary are key to maximizing user-friendliness, while accommodating user needs.

Brand

The Morningstar identity has a strong presence on the site. Both the scale and the placement of the logo are effective; the logo is highly visible but not overwhelming. The logo is consistent throughout all levels of the site. The logo bleeds into a horizontal bar that is in the "Morningstar red." Reinforcing the identity, this horizontal bar is a framing device that pulls together elements on the page. On the main page, the catchphrase (Your First Second Opinion) is reversed out on the red bar and placed below the logo. This treatment is consistent with Morningstar ads and print collateral.

Color palette

Aside from the red in the Morningstar identity, the site employs an otherwise neutral palette. The "Morningstar red" is used on the top of every page alongside the logo to prominently stage the brand. Dark gray, black, and shades of earthy beiges and greens are used predominantly throughout, mainly as background and header colors. These shades are muted, and do not overpower the red in the Morningstar identity. The color palette is conservative; the neutral shades suggest reliability and credibility.

Grid system

The grid system may seem inconsistent because it appears to have four columns on some pages (including the main page) and three columns on others. The site actually has a three-column grid system that is used consistently throughout. The first column is always the navigation (first- and second-level pages) with a beige color background. The middle column is the widest and contains the main copy and feature links. On a majority of pages the middle column is sub-divided either in halves or in thirds. For example, on the main page the middle column is sub-divided into both halves and thirds. On the "About Us" page the middle column is divided into thirds, with some content extending across two-thirds of the column. The third column is blank on many pages. On the site's main page, the third column is the "Market Pulse" that contains stock quotes and quick links to stock/fund information. The width of the site's top banner matches the total width of the three columns, generating a clean and structured layout.

Typography

Futura is used on all section headers (inside navigation), page headers, and on the catchphrase. The Futura "O" is a perfect circle, which reiterates and reinforces the perfect circle "O" in the Morningstar logo. All the links and copy are formatted in a sans serif hypertext. Overall, the typography is appropriate and consistent.

Imagery and iconography

The site makes minimal use of imagery. Photos are used for some of the feature links. In most cases the photos are relatively small, and are used to add visual interest to copy-based pages. Headers are reversed out of a contrasting background, and effectively highlight and group information. Four of the buttons (Membership, About Us, Products, Help) in the global navigation have accompanying icons, and the respective page headers are accompanied by the larger version of the same icons. These buttons/icons are distinguished from the other buttons in global navigation. They link to general information about the site to help a first-time user get acquainted.

Navigation system

Morningstar.com is a fairly deep site, with many levels of information. The current navigation is somewhat difficult for a first-time user. The top global navigation is split into two groups; one group sits in the upper-right corner and the other group sits on the gray banner. Also, side navigation lists specific links, some of which are repeated in the global

Morningstar.com Visual Assessment

navigation. For example, "Products" is an option in the global navigation, and is also a header with a list of links to specific products on the side navigation. The same confusing duplication occurs with the "Membership" option. The navigation system could be improved if the primary and secondary links of the same section were consolidated.

The visual language developed for Morningstar.com is applied consistently throughout the site, and all design elements complement and support one another. Since the site updates its content regularly, the typical user might visit the site frequently and want a quick and direct way of getting desired data/information. Overall, the site exhibits a high level of functionality and creates a sense of community for its users.

Morningstar.com Visual Recommendations

Recommendations for MorningstarAdvisor.com and MorningstarInstitutional.com:

Depending on how MorningstarAdvisor.com and MorningstarInstitutional.com are branded, their visual design can be dramatically different from Morningstar.com. However, the new sites can, and should, employ some of the fundamental design elements from Morningstar.com that work effectively. The solid grid structure, cleanliness, appropriate color palette, and imagery of Morningstar.com can be applied to these new sites. The sense of reliability, credibility, and community from Morningstar.com should also be conveyed to the new sites. Lessons can be learned from the flaws in the navigation system. Incorporating elements that are effective, and correcting those that are not, will help maximize user-friendliness and ensure high-level performance on these new sites.

Appendix C

Competitive Analysis

Competitive Analysis

During Site Strategy, Sapient conducted a competitive analysis from several points of view, including: Brand Strategy, Content Strategy, Digital Business, Information Architecture, and Visual Design. The purpose of this analysis was to understand industry Web site standards, validate concepts for the advisor and institutional sites, and recommend best practices from both competitive and non-competitive web sites.

This document is composed of two sections:

- Competitor Highlights
- Discipline Site Assessments

The first section, Competitor Highlights, is an assessment/analysis of two direct competitors to Morningstar: AdvisorInsight.com and Financial-planning.com. In the second section, several of the disciplines outline best practices from their individual perspectives.

Section I: Competitive Highlights: AdvisorInsight.com

Site Composition and Capabilities

Site overview and assessment

- Target Audience: Targeted specifically at the intermediary market.
- Brand Position: For the retail investment advisor, S&P's AdvisorInsight.com is a provider of S&P branded market intelligence and analysis that help you stay abreast of your market and deliver insight to your clients.
- Visual Design: Although graphically uninspired, it is clean and consistent throughout, with a clear, conveniently located navigation system to guide the way.
- Content and Tools:
  - S&P market intelligence
  - Planning and portfolio tools
  - Market news and commentary
  - Research and investment ideas
  - Pinpoint prospects for investment opportunities
  - Report and recommendation preparation
- Third Party Content: Links (available to non-subscribers) to other S&P Web services: Index Services, Small Cap 600, S&P 500, MidCap 400, Investor Relations Info, and Market Access Program. Alert services are also available (Index Alert and Index REIT Alerts).
- Customization: Institutions may buy and post the site on their Intranets for their advisors to use. Also, advisors have access to customizable newsletters, reports, etc.
- Personalization: None visible to non-subscribers. Through the Advisor Pro Tool, advisors can create and upgrade their own Web sites
- Community: None
- Tone/Voice: Two-tier, for advisors and their clients.

Site best practices

- Tone/Voice: Two-tier tone that is appropriate for both target audiences. Quick, straightforward for advisors; more explanatory for consumers. For example, the articles for advisors to give to their clients clearly and patiently explain topics that consumers might not understand.
- Content: Short, concise blurbs enable quick reading of industry news, stock updates, changes in company rankings of stocks, media coverage of various funds.
- Visual: In a world of "down and dirty, get to the point" financial sites, this site is cleaner than most and easy to follow.
- Information Architecture: Clear, conveniently located navigation system to guide the way
- Brand: Solid brand positioning.

Section I: Competitive Highlights: AdvisorInsight.com

Site improvements/recommendations

AdvisorInsight.com is not leveraging other S&P content, only linking to it. This content could be integrated more fully, since both advisors and their customers might be able to use this information.

Detailed site features

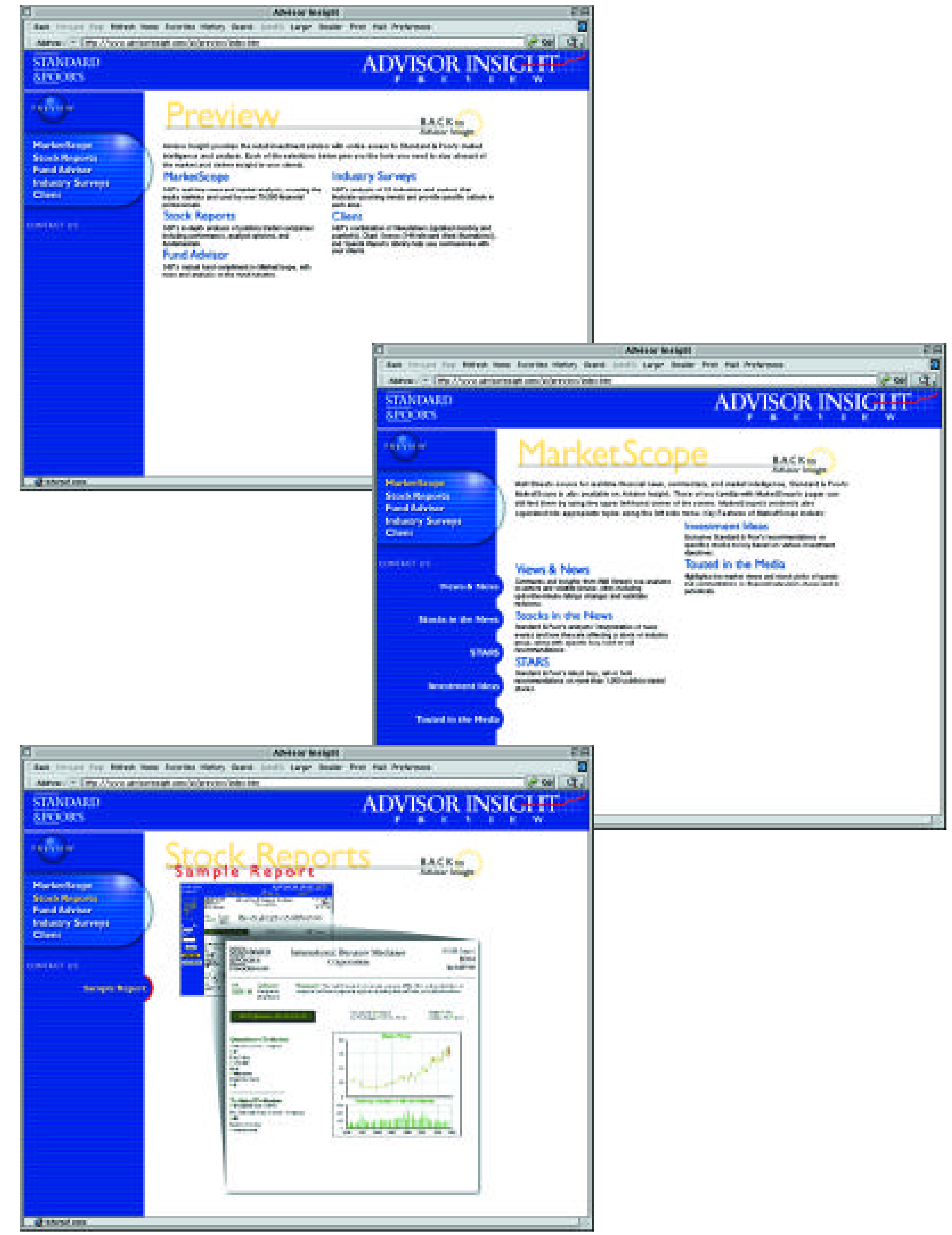
Advisor Insight is designed to provide retail investment professionals the information they need to do research for and make presentations to their clients. The site is composed of five parts:

- MarketScope
- Stock Reports
- Fund Advisor
- Industry Surveys
- Client

MarketScope – Real-time news and market analysis covering the equity markets. Includes articles and information briefs released on a real-time basis (i.e., as the market suggests). Ease of navigation: categorized by topic, but searchable by keyword and company name/ticker.

- Views & News – quick blurbs
- Stocks in the News – quick blurbs
- STARS (Stock Appreciation Ranking System) – ranking changes
- Investment Ideas – text notes
- Touted in the Media – quick blurbs

Stock Reports – In-depth analysis of publicly traded companies including performance, analyst opinions, and fundamentals. Each is a four-page report. Search by name/ticker or screen using over 200 variables. Reports give each stock a STAR rating and Fair Value score. They cover 6900 equities.



Section I: Competitive Highlights: AdvisorInsight.com

Fund Advisor – News and analysis on the fund industry and individual funds. Includes manager interviews (continually added and refreshed) and profiles, commentaries on specific funds, fund family/industry news items, research ideas. Search by name/ticker or screen by criteria on over 10,000 funds. There is a fund report on each mutual fund that also includes a STAR rating. Also includes S&P's list of "Select Funds."

- Fund Manager Profiles and Interviews – Who's who of managers: investment style, history, results.
- Funds in Focus – Profiles and highlights.
- Mutual Fund News – Quick blurbs.
- Fund Screens – Charts comparing performance of various funds.
- Mutual Fund Reports – Detailed facts and figures; searchable.

Industry Surveys – Industry overviews that cover 52 major US industries and 115 market sectors. These reports talk about upcoming economic trends and provide market forecasts, textual analysis, charts, and tables.

Client – Easy-to-use tools for helping advisors keep clients informed. S&P's combinations of customizable newsletters (i.e., eight general topics with two articles each formatted nicely for client distribution, updated quarterly), pre-canned presentations/seminars (12 different ones), charts (over 20), customizable graphs, and special reports (80+ on various investment objectives). Of particular note: Advisor Pro, an Internet tool that gives advisors the ability to create and update their own personalized web site.

- Chart Source – Pre-formatted charts showing topics including Investment Fundamentals, Performance, and Strategies.
- Newsletters – Consumer-oriented, on various topics. Friendly tone clarifies sometimes complicated topics.
- Special Reports – Consumer-oriented; more bullet points than articles, more specific topics.

Reference – S&P reference publications: Stock Guide, Bond Guide, Earnings Guide, Corporation Records, Dividend Record, Register of Corporations, Register of Executives, Security Dealers of North America, and The Outlook newsletter. Standard & Poor's reference access:

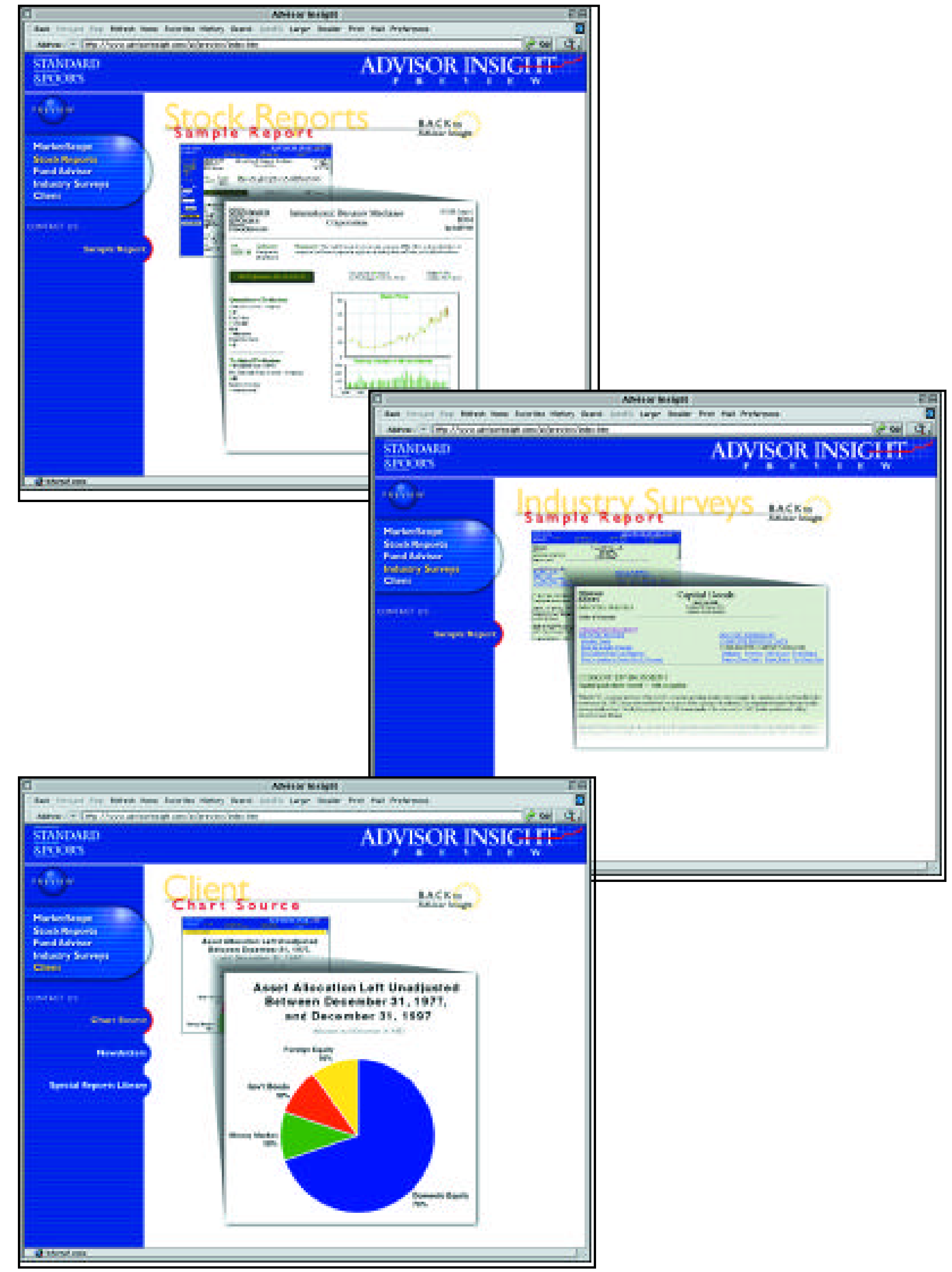
- S&P Comstock – Real-time market information designed for traders. It contains information on 140 global markets.
- S&P Securities Inc. – Brokerage firm offering trade execution and research to professional investors.
- S&P Blue List – Municipal and corporate bond data.
- Micropal - Covers over 40,000 managed funds around the globe including private money managers.
- Compustat – Information on over 4,000 international companies.

Current product/service pricing

AdvisorInsight.com currently bundles four modules (market info, stock info, fund info, and client tools) for $2375/yr for 1-3 users. Modules are also offered separately and priced a la carte at the following price points:

MarketScope	$1233
Stock	$1095
Funds	$695

The site also generates alternative revenue from advertising sales.



Section I: Competitive Highlights: AdvisorInsight.com

Competitive strengths

Standard & Poor's is known for its robust data. As high-end advisors begin to offer more sophisticated investment options to their high net worth clients, they will want to provide this robust information. S&P also has institution-level tools that could potentially make up an "advisors desktop" (e.g., trade execution, etc.).

Another competitive advantage for AdvisorInsight.com is the financial backing of its parent company, Standard & Poor's. Standard & Poor's is a member of the McGraw-Hill Companies. The following is recent annual revenue for both groups:

Revenue ($ billion)	
McGraw-Hill	$3.7
Standard & Poor's	$1.5

S&P is aggressively investing in Internet technology and focusing on providing Internet-based solutions to all of its clients. All S&P's business units are providing services via the Internet.

Section I: Competitive Highlights: Financial-Planning.com

Site Composition and Capabilities

Site overview and assessment

- Target Audience: Financial-Planning.com is targeted at financial advisors and planners. The site content, etc., appears to be tailored for independent advisors.
- Brand Position: Financial-Planning Interactive is a source of news, information, and discussion forums to help users with financial planning for their clients.
- Features:
  - Editorial Content
    - Weekly spotlight story on chosen subject
    - Weekly original editorial on the following subjects:
      - Practice Management
      - Investments
      - Financial Planning
  - News
  - Advisor-specific
  - General industry
  - Community
  - Postings in moderated forums. Moderated topics:
    - Investment and retirement planning
    - Life events
    - Practice management
    - Shop talk
    - Career
  - Education
  - Continuing education. Quizzes worth one hour of CFP continuing education credit.

Site best practices

- Business Model: Building a community of advisors.
- Brand: Branding is consistent throughout site.
- Tone/Voice: Appropriate to targeted audience, independent advisors.

Current product/service pricing

The advisor offerings on this site are free to users. Financial-Planning.com generates revenue through advertising and some sponsored offerings.

Competitive advantage

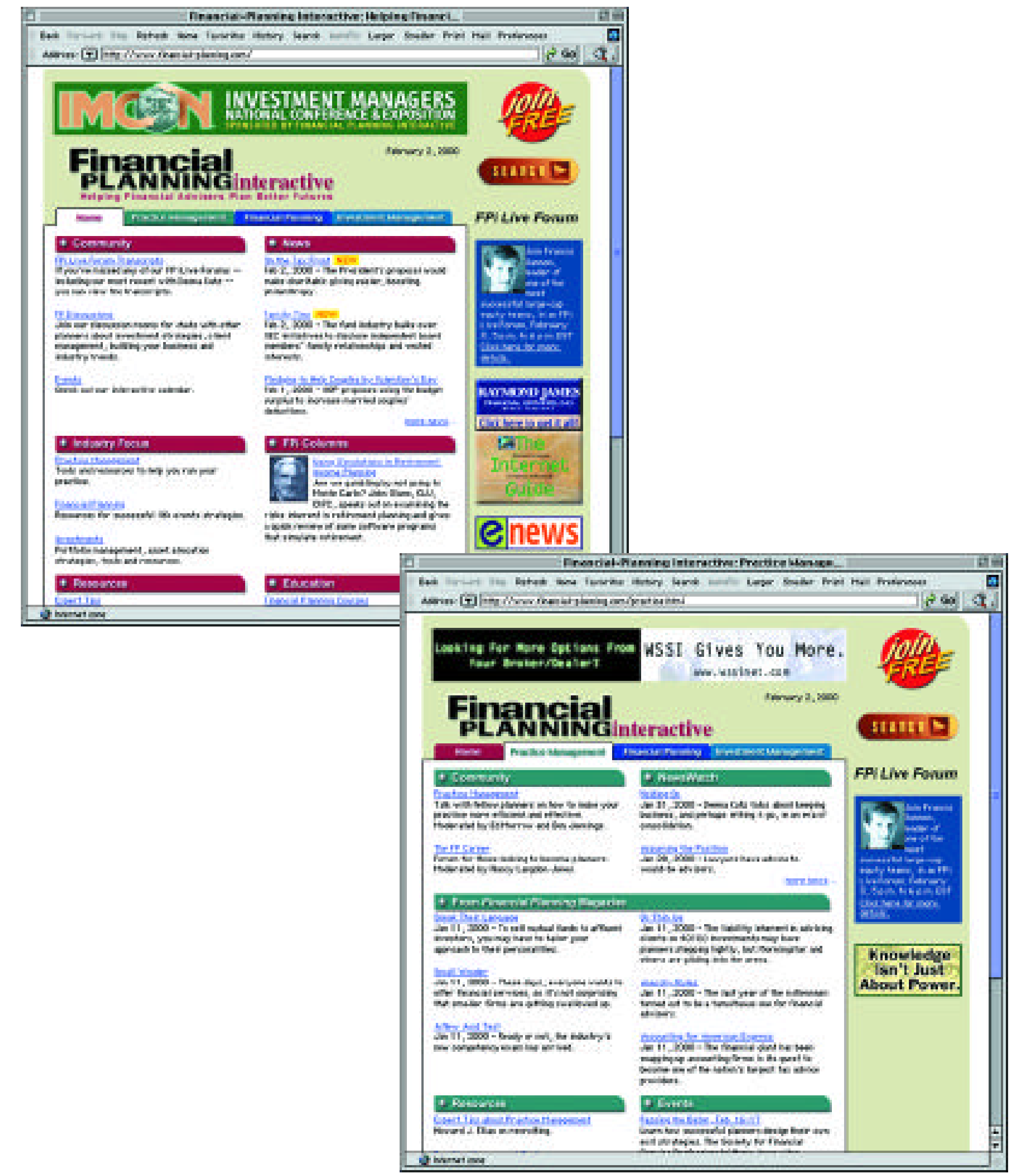
Financial-Planning.com has the "first-mover" advantage in their chosen space. Also, Thomson Corporation owns CDA Weisenberger and, therefore, could potentially provide missing tools, information (e.g., investment data), and services to this site. Thomson also has an established editorial staff that could be utilized more on this site.

Another competitive advantage for Financial-Planning.com is the financial backing of its parent company, Thomson Financial, a subsidiary of Thomson Corporation of Toronto. The following is Thomson Corporation's recent annual revenues:

Revenue ($ billion)

	1996	1997	1998
Thomson	$7.0	$8.0	$6.1

Source: Wright Investors Service



Section II: Discipline Site Assessments

Best Practices Assessment

Due to Morningstar's unique position as a provider of objective financial information, it has a stronger brand identity than many of its competitors. Morningstar needs to provide a stronger offering than its competitors in order to maintain the advantage of the Morningstar brand.

The disciplines assessed several direct competitors as well as some non-financial, best-of-breed industry sites to better understand innovative offering components and best practices. Here is a sampling of the best practices and worst practices of some key competitors and other best-of-breed sites.

Section II: Discipline Site Assessments: MySAP.com

MySAP.com: Business-to-Business Marketplace

MySAP.com was evaluated to understand and assess a destination site composed of marketplace (community, third party aggregation, news) and workplace (relevant tools and information). MySAP.com is a best-of-breed busines-to-business destination site.

The site is divided into two sections: Marketplace and Workplace.

Content best practices

- Customization: (Workplace section) Information and services including personalized, role-based interfaces; the ability to control access to information and tools; customized desktops accessible from anywhere; document alerts; customizable directory structure; and Drag and Relate feature.
- Personalization: Users may customize a personal home page by selecting industries and topics (e.g., directory, business process information, news, trends, market information, organizations, career, speakers corner, and events).
- Marketplace: Busines-to-business hub for content, community, collaboration, commerce; place orders, issue RFPS, respond to RFPs; business directory that brings together buyers and sellers; business communities; 1-step business; personal information, services and applications that help you run your business.
- 3rd Party Content: Utilization of many third-party services, including job listings, custom content, email, calendar, mailing services, travel arrangements, and time management. Aggregates third- information, tools and content in one place that is relevant to the user's needs.
- Community: Industry-specific or cross-industry communities, each including forum, chat, and links to related content.

Brand best practices

- Brand Messages: "Marketplace" helps to convey the aspects of a business community and network. "My" helps personalize the framework.
- Branding Presence: MySAP.com branding is consistently placed in the top left corner of framed pages, with "Marketplace" appearing in the top right.

Section II: Discipline Site Assessments: Healtheon.com

Healtheon.com: An Industry Destination

Healtheon.com was evaluated to understand the idea of "marketplace."

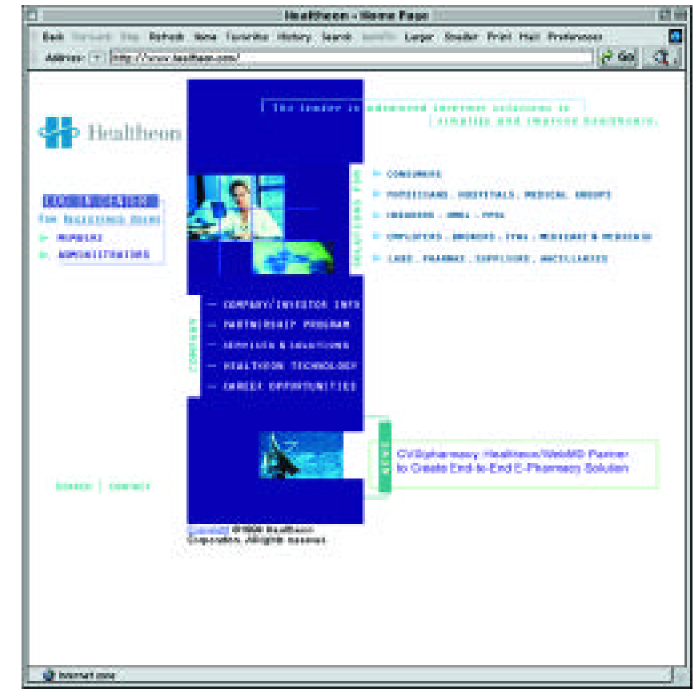
This health-related destination serves both consumers and health professionals. The site leverages automated information exchange, transactions and workflow of busy practices (e.g., referrals, claims, billing, managed care), which is in line with some of the ideas for MorningstarAdvisor.com and MorningstarInstitutional.com.

Content best practices

- Customization: Completely customizable site.
- Tone: Helpful, friendly.
- Best Practice: Bringing people together. Making it easy to access vital information and perform tasks.

Brand best practices

- Brand Position: For consumers as well as health-care service providers and suppliers, Healtheon.com is the end-to-end Internet company that can simplify and improve the healthcare system and experience.
- Sub-brands and Relationship to Master Brand: Tools are branded with the Healtheon name.



Section II: Discipline Site Assessments: Quicken.com

Quicken.com: A MorningstarAdvisor.com and Morningstar.com competitor

Quicken.com (Intuit) was evaluated to understand how it targets its different audiences online as a reference point for Morningstar's future online presence. Quicken has been successful at leveraging its brand by evolving its financial management portal and product line.

Content best practices

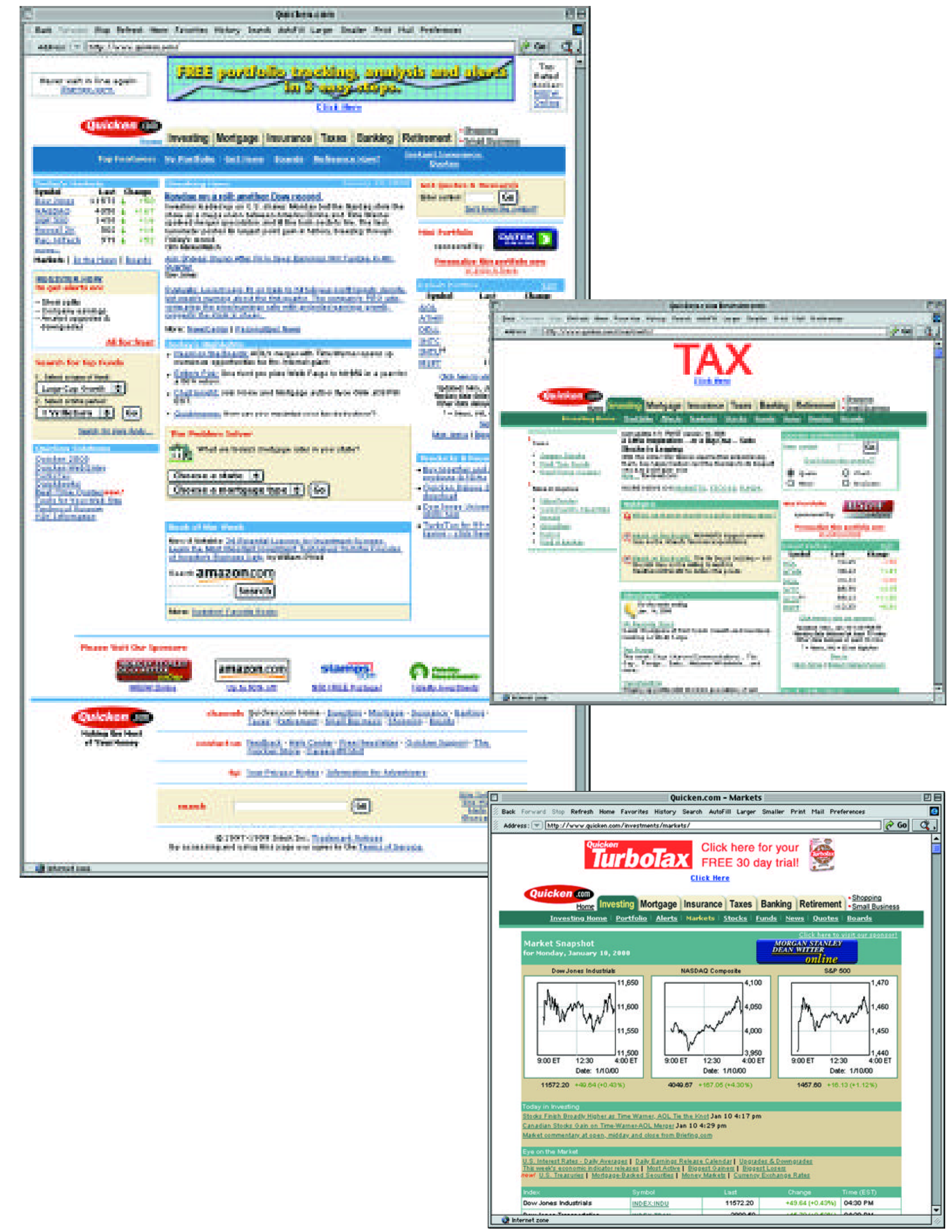
- Consistent Content: Portal-style home page with numerous sections, each featuring advice, industry articles, glossaries, calculators, QuickAnswers, links, promotions for (often free) 3rd-party or Quicken products/services.
- Personalization: personalized portfolio with user-controlled alerts.
- Community: Eight folders with numerous active topics, including many about various companies. Users can also rate the site's most popular stocks.
- Tone: Efficiency.
- Content: Utilization of third-party content and e-commerce.
- General Best Practice: Editorial/commerce in close connection.
- Customization: Providing information in many slices, so users with every skill level and interest can find clear, relevant information.

Brand best practices

- Brand Messages: In addition to the implicit message conveyed in the brand name "Quicken," the site's tagline (appearing beneath the logo on the bottom of each page), "Making the most of your money," reinforces the brand's thrifty and financially savvy image.
- Brand Character: "The "Wal-mart" of Investment sites. Comprehensive, informative, colloquial, and financially savvy, thrifty, fast is appropriate for their target audience.

Visual design/best and worst practices

- Seemingly long on information but short on space, Quicken.com crams every free area on a page with detail and data. It's useful information, but hard for a novice user or distracted user to find amongst the clutter. Navigation is consistent throughout, though harder to find at lower levels where excessive detail tends to "grey"(or flatten) the page out of focus. Short on imagery, Quicken.com loads fast and offers up a lot of useful information and tools, but may tend to overwhelm the user.



Section II: Discipline Site Assessments: Theknot.com

Theknot.com: A Consumer-Destination Site with An industry Focus

Theknot.com was evaluated to understand an industry "community." This site is very consumer oriented, but we assessed the content from a general user point of view.

Content best practices

- Community: Very active discussions. Members choose titles, but are grouped according to topic. Choosing subjects often a good way to get communities going. Have an Improve the Knot board. Chats are led and scheduled.
- Customization: Extremely customizable.
- Content: Original articles by author with subject matter expertise. Bylined only if author is higher-profile.
- Tone: Casually hip, expert, authoritative, good friend, slightly edgy. Fitting to wedding industry audience.
- Content: Takes center stage, but some advertising draws attention away.

Brand best practices

- Sub-brands and Relationship to Master Brand: Master brand is The knot, which is an offline and online publisher. Theknot.com is the sub-brand for the online venture. With the exception of their mediums, the two are virtually indistinguishable, sharing the same content, visual mnemonics and tonality.
- Branding Presence: The brand name is ubiquitous, nearly chronically so, throughout the site.
- Brand Messages: The tagline "number one wedding resource and gift registry" conveys two things: 1) the site is the leading resource in the category and 2) it is a comprehensive A to Z resource.
  The real-world sensibility is conveyed through content tonality.

Visual design best practice

- An undisputed leader in the ever-burgeoning "wedding industry," theKnot.com offers a wide selection of information and tools to aid couples in preparing for and making informed decisions about every step of their wedding process. Reasonably clean and appropriately colored (the section on purchasing an engagement diamond, for instance, has a more masculine overtone), the site maintains a good balance of text and relevant imagery, both photographic and illustrative. Although navigating the site is a bit of a cluttered overload at times, theKnot.com excels at creating a distinctive community, rich in information, personalization opportunities and usable tools, that is flexible enough to accommodate the guests' needs as they change over time.

Section II: Discipline Site Assessments: YouDecide.com

YouDecide.com: Individual Financial Empowerment Site

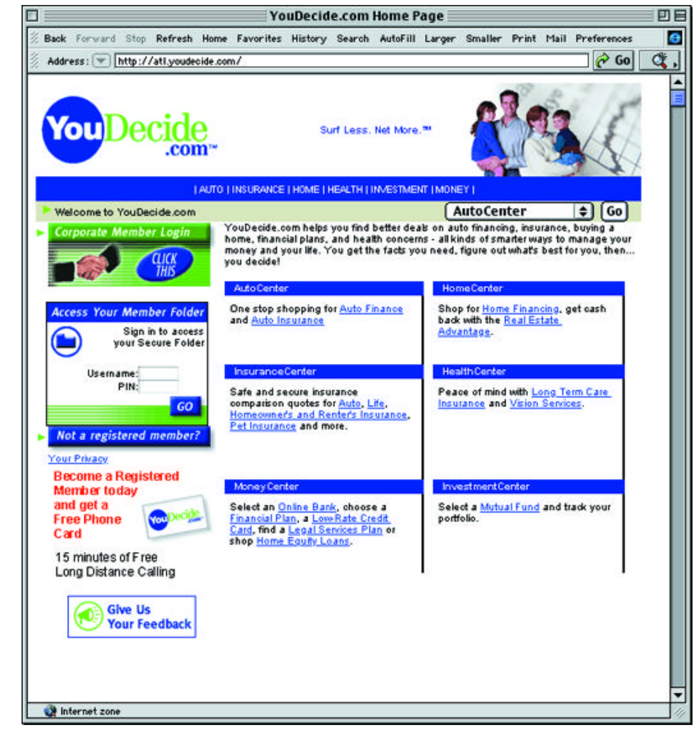
YouDecide.com was evaluated to assess a best of breed "end to end" user solution.

Brand best practices

- Branding Presence: Branding is consistent and unobtrusive throughout site.
- Brand Messages: Brand name "You Decide˙" conveys empowerment; easy navigation and all tools throughout the site reinforce that message. Tagline "Surf Less. Net More.˙" conveys time-saving, hassle-free and cost-efficient experience.

Visual design best practice

- Offering "all kinds of smarter ways to manage your money and your life," YouDecide.com delivers on its promise in a clean and efficient manner that makes several complicated tasks clearly understandable and easy to do. By iving its information room to breathe with plenty of white space and by going light on the imagery, as well as using a consistent navigation scheme, YouDecide.com gets users to the tools and information they seek quickly, without a lot of fuss and bother. Bright, friendly colors give the site an upbeat feel, which lifts it out the realm of the typical "heavy, corporate" sites that normally deal with these matters of finance and insurance. A personalized "folder" allows guests to track work in progress and helps to ensure that this site will be returned to often.



Section II: Discipline Site Assessments: Financial-Planning.com

Financial-Planning.com: An Advisor Destination

Financial-Planning.com was evaluated to assess a competitive advisor-related destination and "community."

Brand best practices

- Branding Presence: Branding is consistent throughout site, appearing on the top center of pages.
- Brand Messages: Brand messages conveyed are consistent with the "informative, helpful, and unifying" brand character. The tagline "helping advisers plan better futures" conveys the helpful message. The easy navigation and straightforward nature of the site add to this. The abundance of news and information on the site communicates the "informative" nature of the brand, while community sections near the top of every page convey the "unifying" message.
- Brand Name: Brand name "Financial-Planning Interactive" conveys that this is a site specifically for financial planners.

Section II: Discipline Site Assessments: Lipper.com

Lipper.com: An Institutional Powerhouse

Lipper was evaluated as a direct competitor to Morningstar.

Brand best practices

- Sub-brands and Relationship to Master Brand: The Lipper Funds, Inc., is the master brand. All funds are branded with the Lipper name and a descriptive title (e.g., The Lipper U.S. Equity Fund).
- Brand Character: The brand character of "Upscale, prestigious, poised, sophisticated, trustworthy" is appropriate for the site's target audience.

Section II: Discipline Site Assessments: SchwabInstitutional.com

SchwabInstitutional.com

SchwabInstitutional.com was evaluated as a direct competitor to Morningstar.

Brand best practices

- Sub-brands and Relationship to Master Brand: Charles Schwab is the master brand. Schwab Institutional is the division that targets the institutional and advisor audiences, and SchwabInstitutional.com is its Web destination. Individual investors use Schwab.com (also accessible with the URL CharlesSchwab.com).
- Sub-brands and Relationship to Master Brand: Products and services are branded with the Schwab name, and a description of the tool or service (e.g., Schwab Access™, Schwab MoneyLink™ and The Schwab Fund for Charitable Giving™). All brand names are trademarked.
- Sub-brands and Relationship to Master Brand: Schwab Institutional also offers the Schwab Signature Services Alliance™, a premium service for advisors' "most valued clients." It includes a customized web site and a specialized service team.
- Brand Messages: Connected, practical, direct.
- The tagline "Experience. Dedication. Solutions." that appears on every page conveys the Schwab Institutional brand.
- Branding Presence: Discrete. Consistently used within the institutional site, but different in execution from the Schwab branding on the retail site.

Section II: Discipline Site Assessments: CDA Wiesenberger

CDA Wiesenberger InvestmentView.net and Blueprint

CDA Wiesenberger was evaluated as a direct competitor to Morningstar that is moving some of its products online.

Brand best practice

- Brand Messages: Wiesenberger makes tools and blueprints for investing. Modest tonality and branding convey brand's conservative approach.

Information architecture best practices

- Value of Product Communication: The value of the product is communicated through the navigation, which is named according to parts of the asset allocation process.
- Experience: The feature set of the product is "current state input", "risk tolerance", and "presentation tools" including charts and tables. The user experience of the product is active.
- Site Organization: Step-by-step organization based on asset allocation process. This organization follows the workflow.

Information architecture worst practices

- Intent of the Product: To be used as a conduit for professional investors to understand the individual investor's tolerance for risk. The intent is communicated through the marketing literature, but should also be obvious from the structure or the content of the product.
- Windows Implementation: It's not optimized. The flow through the process is not explicitly communicated – user is not walked through.

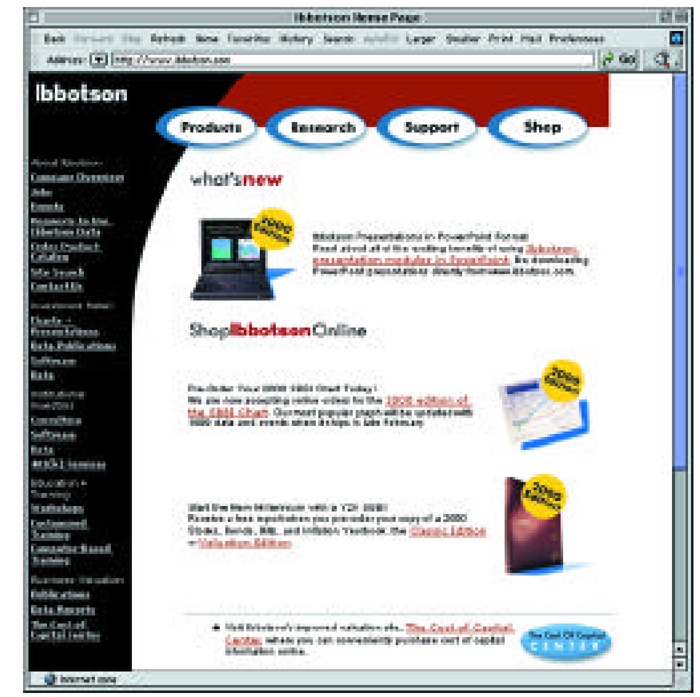
Section II: Discipline Site Assessments: Ibbotson.com

Ibbotson.com

Ibbotson was evaluated as a direct competitor to Morningstar, focusing on its use of its master brand.

Brand best practice

- Sub-brands and Relationship to Master Brand: Ibbotson.com is the online sub-brand of master brand Ibbotson & Associates. Many of Ibbotson's products are branded with the Ibbotson name, followed by trademarked functional descriptors.



Visual Design General Best Practices

While no single site serves as an absolute standout by doing everything right, some important lessons can be drawn from looking at these sites. Most important, it seems, the key to having a successful site is high-quality information and tools - that attract users. And, when users are at your site, it is important to not overwhelm them with too much information at one time. Appropriate colors and imagery will help steer the user experience and reinforce a sense of belonging with the site, which in time may grow into a sense of community.

Appendix D

Content Assessment

Content Assessment

Content Assessment

During the Site Strategy project, Content Strategy assessed Morningstar's existing content resources and brainstormed with the team to identify and define potential features for MorningstarAdvisor.com and MorningstarInstitutional.com. This section evaluates high-level content needs for the sites and makes general recommendations about how that content should be created.

Throughout a project, Content Strategy works with clients to uncover opportunities to provide well-branded, user-focused content; set up processes to create content for launch and post-launch; and develop style guidelines to ensure that content consistently expresses a client's voice, is targeted to its customers, and supports its business objectives.

Having clear, well-organized content, and easy-to-find, consistently-presented information gives customers good reason to use the sites regularly. Content will provide Morningstar with real differentiation from other financial information resources.

Content standards for the Web

While preparing content for MorningstarAdvisor.com and MorningstarInstitutional.com, Morningstar's editorial staff must be familiar with general Web writing standards. As a rule, all Web sites should adopt a conversational and straightforward voice, using short sentences and active voice. This voice must complement Morningstar's voice in other media and be consistent throughout the site. Additionally, content should be organized into short groupings with clear, useful headings that customers can easily scan or read on screen. These principles will reinforce MorningstarInstitutional.com's credibility and reliability, making it a trusted online source for financial information and products.

Write for the space. People only scan when they're reading from a screen.

- Users do not respond to heavy blocks of text or copy that demands excessive scrolling.
- People read 25% slower online. Write half as much as you would for other media.
- Users rely on bullet points, subheadings, and other visual cues to make information more manageable.

Write for the task-oriented user. Users should immediately know that they will be able to find what they need in a timely manner.

Be conscious of the order of information. Don't bury important information at the bottom of an article or bullet-pointed list. Think journalism: "conclusion" first, then supporting information.

Cut material that is repetitive or unnecessary. This is more than just a space consideration. Repetition itself can feel condescending.

Write clear, concise headlines and subheads. This lets readers know at a glance what they can expect from each section and subsection. Headings should be descriptive. Catchphrases and word plays are useful only if they are meaningful.

MorningstarAdvisor.com Content Assessment

MorningstarAdvisor.com

As defined in the brand strategy, Morningstar will communicate the following clear, crisp, and universal message to advisors on MorningstarAdvisor.com:

MorningstarAdvisor.com is the comprehensive online resource and dynamic community that enables advisors to conduct and grow their business efficiently.

This message will be delivered through a sound content strategy. The following are our content strategy recommendations for MorningstarAdvisor.com.

How MorningstarAdvisor.com should "sound" online

Morningstar's primary communication with its advisor customers has traditionally been through the exchange of quantitative information. The challenge of MorningstarAdvisor.com is to maintain Morningstar's online credibility with this audience in a new medium.

Advisors are a more knowledgeable audience than individual investors, and they don't want to be spoon-fed information. The content for MorningstarAdvisor.com should be written specifically for the advisor audience; the site should not rely only on recycled analyses and columns from Morningstar.com. By integrating quality content sources in a professional and informative way, MorningstarAdvisor.com can educate financial advisors about issues of importance both to them and to their customers.

Tone
Effective Web writing rests on three basic imperatives:

- Be clear.
- Be respectful of users.
- Understand the objectives and voice of the site.

All the rest is commentary:

- Be consistent. Maintain consistency in nomenclature, tone, and language across the site.
- Be brief. Text on screen is less inviting than text on the page, and users have short attention spans. Short sentences hold users' interest and generally provide clearer information.
- Be active. Use active language and sentence structure: Don't write: "Active verbs and sentences should be used;" write: "Use active verbs and sentences."
- Resist rhetorical questions. Use rhetorical questions judiciously.
- Keep users on task. Choose language that prompts users and offers clear guideposts along a "path to action."

Through its tone, the site must clearly and consistently communicate key desired attributes of the MorningstarAdvisor.com brand:

- Independent
- Comprehensive
- Utilitarian
- Unifying
- Complete

Independent
MorningstarAdvisor.com must maintain and build on Morningstar's reputation as an information source that presents true, unbiased information about funds, stocks, and companies. Therefore, Morningstar information must be kept separate from information that comes directly from institutions, and information from institutions must be clearly labeled.

Comprehensive
As the financial marketplace grows and fragments, there will be increasing amounts of information to present. Advisors will expect MorningstarAdvisor.com to deliver all of it in the future, just as Morningstar.com does now for individual investors. MorningstarAdvisor.com should maintain a variety of columnists and authors who bring different experiences, unique focuses, and industry expertise.

Utilitarian
Advisors do not have time to browse around MorningstarAdvisor.com at a leisurely pace; they want to perform their desired functions quickly and get back to their business. Therefore, the functions that advisors can perform using MorningstarAdvisor.com should be accessible with minimal clicks. Similarly, the site's content should reflect a to-the-point tone.

Unifying
MorningstarAdvisor.com will become the central online source for financial advisors if it offers a significant portion of the resources advisors need. Foremost among these needs is current information: timely news and frequently updated data. In addition to this "hard" information, advisors will be able to turn to MorningstarAdvisor.com for education and training tools that help make their jobs easier.

Complete
As the primary source for financial information, Morningstar draws every member of the financial community. MorningstarAdvisor.com can take advantage of that fact by, over time, building in robust community features, enabling advisors to interact with Morningstar and communicate with one another. User-generated content should be kept separate from content written by Morningstar analysts, to maintain Morningstar's authority.

MorningstarAdvisor.com voice attributes

The following voice attributes are consistent with the brand directives and are recommended for all content on the site:

- Authoritative (but not preachy).
- Clever, intelligent.
- Provocative, stimulating.
- Innovative, fresh, and timely.
- Discerning, sophisticated.

MorningstarAdvisor.com Content Assessment

Creating and organizing content on MorningstarAdvisor.com

Advisors come in all shapes and sizes, and with a range of preferences and needs. The content that Morningstar selects for MorningstarAdvisor.com should reflect this desire for flexibility, both in its presentment and in its substance.

Organize site content around customer needs

Users want a personal experience on MorningstarAdvisor.com, to feel that it is an integral part of their business. The site can deliver this experience by organizing the content according to advisors' activities.

MorningstarAdvisor.com should "surface" content that is useful to advisors, dynamically serving relevant articles, links, postings, and advertisements. Content should clearly walk advisors through the steps of their business activities—research, recommend, support.

Build loyalty by making advisors look informed and knowledgeable

Advisors need to see MorningstarAdvisor.com as an invaluable resource for their work. The site must not only inform them, but allow them to inform their clients. Co-branded newsletters that advisors can tailor to their customer base are just one example of how the site can facilitate advisors' work processes. Other ideas include a library of articles from Morningstar.com, grouped by topic, that advisors can package and send to clients quickly, illustrating top-notch customer service.

Refresh content regularly and often

MorningstarAdvisor.com will be a content-heavy site. To remain useful to its audience, and therefore viable, Morningstar will need to refresh content on a regular basis. This gives advisors a reasons to come back again and again. Eventually, they should begin to recognize Morningstar as their number one source, not only for data, but for all the information and tools they need to support their work.

Give the "why," not just the "what"

Advisors are busy. Really busy. On top of gathering and presenting information to clients, they also have to justify their recommendations and explain market ups and down. That's why Morningstar should provide information about why things happen in the market. Additionally, this information should be as close to related data as possible, so that it provides interesting, supportive context.

MorningstarAdvisor.com Content Matrix

Fulfilling content creation needs

Sapient anticipates that several types of content will be included on MorningstarAdvisor.com. Here is a list of those content types, along with guidelines for using the content on MorningstarAdvisor.com. Morningstar can use the list of content types below to begin sourcing (creating, buying, forming partnerships with third parties) this content. It will take time to collect and/or repurpose appropriate content for advisors. Sapient will work with the editorial staff of MorningstarAdvisor.com to craft a detailed plan for creating and/or obtaining this content.

Content MorningstarAdvisor.com

CONTENT TYPE	DESCRIPTION	SOURCE	RECOMMENDATION
EDITORIAL Targeted to the audience and expresses a point of view.			
Editorial	Articles and Analysis	Morningstar.com	Select appropriate columns for reuse on MorningstarAdvisor.com
		Third Parties	Contract with 3rd parties who provide editorial information targeted to advisors
		Original content	Employ Morningstar authors to create content specifically targeted to advisors.
	News	Morningstar Newswire	Reuse Morningstar Newswire content on MorningstarAdvisor.com
		Third Parties	Expand contracts with parties that Morningstar.com currently uses, to include using that content on MorningstarAdvisor.com
	Fund Spotlight	Principia	Currently a feature provided on Principia CDs. Revise process to incorporate reusing these articles online.
	MMF Category Overviews	Principia	Currently a feature provided on Principia CDs. Revise process to incorporate reusing these articles online.
	MMF Summary Sections	Principia	Currently a feature provided on Principia CDs. Revise process to incorporate reusing these articles online.
	Fund Changes, Stock Changes, etc.	Principia	Currently a feature provided on Principia CDs. Revise process to incorporate reusing these articles online.
			This information should be easy to access from an investment detail page.
STATIC Textual content that changes infrequently and usually expresses facts about the company or the site.			
Static	Customer service	Original content	
	Corporate Information • Press releases • Job listings • Company profile • International partnerships information • Product information	Morningstar.com, Principia, original content	Link to Morningstar.com for this information. Or, if appropriate, repurpose for advisors.
	Morningstar contact information	Morningstar.com or original content	Link to Morningstar.com for some information. Or, if appropriate, repurpose for advisors.
	Legal information	Original content	Repurpose any existing collateral. Legal information should be detailed enough to allay advisors' concerns.
DATA PRESENTMENT Quantitative content whose presentation must be closely considered, but which is usually dynamically generated.			
Data Presentment	Quicktakes/Snapshots	Principia	Need to consider presentment
	Alerts	Third Parties	Need to consider presentment
		Morningstar • Products • Process changes • Errors • Etc.	Need to consider presentment
		Automatic • Practice-level • Client-level • Portfolio-level • Holding-level	Need to consider presentment
	Reports	Principia	Need to consider presentment
	Views (fund, stock, etc.)	Principia	Need to consider presentment
	Graphs	Principia	Need to consider presentment
	Morningstar page PDFs	Principia	Need to consider presentment
	Risk/Goal assessment questionnaires	Original content	Can probably create from existing Morningstar resources

MorningstarAdvisor.com Content Matrix

CONTENT TYPE	DESCRIPTION	SOURCE	RECOMMENDATION
COMMUNITY Encourages direct communication between users or among users and Morningstar, including user-generated content.			
Community	**Virtual Trade Show**	**Third parties**	Develop guidelines for the types of information to be submitted
	Job listings	**Advisors**	Need to consider presentment
			Develop guidelines for the types of information to be submitted
		Third parties	Need to consider presentment
			Develop guidelines for the types of information to be submitted
	Advisor editorial **White papers** **Analysis** **Articles**	**User-generated**	Develop guidelines for the types of information to be submitted
	Ratings • Funds • Stocks • Etc.	**User-generated**	Track both individual advisors' ratings and aggregated ratings
	Opinion polls	**Morningstar**	Shoud appear at least weekly
	Chats/discussions with guest speakers	**Morningstar would provide the forum and the "speaker." The "speaker" and the users would do the rest.**	Speakers could be institutional representatives, "star" advisors, newsmakers, etc.
	Calendar of events	**Morningstar/advisors**	Postings of advisor-related events around the country.
	Article library	**Morningstar.com**	Archive of Morningstar.com articles that advisors could send to their clients.
			Articles need to be searchable.
EDUCATIONAL Provides learning opportunities related to the users' work.			
Educational	**Practice management** • Morningstar investment methodology • Educational articles • Technical reviews • Best practices • Compliance	**Click 2 Learn**	Further define what subjects will be covered
		Morningstar original content	Further define what subjects will be covered
	Distance learning courses	**Click 2 Learn**	Further define what subjects will be covered
HELP Provides assistance in using tools and features of the site.			
Help	**Glossary** **FAQ** **Etc.**	**Original content**	Should be specific to the site and written in a tone appropriate for advisors
	Process macros/wizards	**Original content**	Contextual performance support
			Identify appropriate format and subjects for this content

MorningstarAdvisor.com Content Matrix

CONTENT TYPE	DESCRIPTION	SOURCE	RECOMMENDATION
OTHER Content elements that are standard on most sites, but which do not fall easily into the other categories.			
Other	Advertisements	Third parties	Consider how prominent this info should be so that advisors are comfortable with it.
			Consider the types of ads that advisors are comfortable with.
	Promotional content	Morningstar	Consider how prominent this info should be so that advisors are comfortable with it.
			May be distributed through several mechanisms.
	Navigational/instructional content	Original content	Create after information architecture is complete
	Advertisements	Original content	Should be consistent with brand strategy
			Create after information architecture is defined.
	Profile Site user profile Account profile	Original content	Determine what information will be requested from the user

Content MorningstarAdvisor.com

MorningstarAdvisor.com Content Assessment

High-level staffing recommendations

Maintaining a site as dynamic as MorningstarAdvisor.com can be intensive. Morningstar will want to begin early in forming its editorial team and setting up processes for creating content. As MorningstarAdvisor.com enters the design phase, Sapient recommends that Morningstar begin interviewing and hiring those employees who will maintain the site. It is advisable that the following roles be filled as soon as possible, in the following order of priority, so that these individuals can be involved in the design process:

Editor-in-chief
Responsible for carrying out the vision of the site. Manages the day-to-day maintenance and creation processes. Must be proficient in using the Web. Should thoroughly understand the needs of the advisor audience and Morningstar's business goals.

Writer (2)
One responsible for working on the "community" track; another working closely with the "tools" track. Responsible for creating and updating all copy posted to the site. Must have a strong understanding of the Web medium, have a solid understanding of the site's voice, must be able to product copy on a deadline, and understand the content management package.

Editor (2)
One responsible for working on the "community" track; another working closely with the "tools" track. Responsible for ensuring that all copy meets established spelling, formatting, grammatical, and contextual standards. Must be able to deliver high-quality work under tight deadlines, have a strong understanding of the Web medium, and thoroughly understand the site's goals and objectives.

Content Manager
Responsible for maintaining all functionality associated with the content management system, including content syndication, banner ad refreshes, site refreshes, personalization and customization decision support, content workflow management, content archiving, ad serving, and customer lifecycle analysis. Depending on the complexity of the content management system, MorningstarAdvisor.com and MorningstarInstitutional.com may be able to share this resource.

About work flow

A streamlined process of content creation, editorial oversight, approval, and handoff, is critical for a sustainable site. MorningstarAdvisor.com will need to establish a centralized editorial oversight team who can:

- Manage work flow.
- Draw concrete boundaries of content ownership.
- Measure content against site objectives, marketing priorities, and voice guidelines.

MorningstarInstitutional.com Content Assessment

MorningstarInstitutional.com

As defined in the brand strategy, Morningstar will communicate the following clear, crisp, and universal message to institutions on MorningstarInstitutional.com:

> For investment research and marketing managers, MorningstarInstitutional.com is the dynamic online data and analysis resource that enables customers to perform their research and marketing efforts efficiently, effectively, and with credibility.

This message will be delivered through a sound content strategy. The following are our content strategy recommendations for MorningstarInstitutional.com.

How MorningstarInstitutional.com should "sound" online

Morningstar's primary communication with its institutional customers has traditionally been through the exchange of quantitative information. The challenge of MorningstarInstitutional.com is to maintain Morningstar's online credibility with this audience in a new medium.

Tone
Effective Web writing rests on three basic imperatives:

- Be clear
- Be respectful of users
- Understand the objectives, voice, and ethos of the site

All the rest is commentary:

- Be consistent. Maintain consistency in nomenclature, tone, and language across the site.
- Be brief. Text on screen is less inviting than text on the page, and users have short attention spans. Short sentences hold users' interest and generally provide clearer information.
- Be active. Use active language and sentence structure: Don't write: "Active verbs and sentences should be used;" write: "Use active verbs and sentences."
- Resist rhetorical questions. Use rhetorical questions judiciously.
- Keep users on task. Choose language that prompts users and offers clear guideposts along a "path to action."

Through its tone, the site must clearly and consistently communicate key desired attributes of the MorningstarInstitutional.com brand:

- Comprehensive
- Independent
- Flexible
- Expedient
- Quality

Comprehensive
MorningstarInstitutional.com offers both breadth and depth of timely, up-to-date data and the tools to manipulate it. This keeps institutional customers informed and enables them to conduct research and marketing efforts effectively. MorningstarInstitutional.com should include increasing amounts of content from a variety of perspectives.

Independent
MorningstarInstitutional.com must maintain and build on Morningstar's reputation as an information source that presents true, unbiased information about funds, stocks, and companies.

Flexible
Investment research and marketing managers have varying information needs. They want data that is customizable and easy to access and use, so they can get exactly the data they want, how they want it and when they want it.

Expedient
Investment research and marketing managers want to use MorningstarInstitutional.com for specific functions, and they should be able to access the relevant data with minimal clicks. The content on MorningstarInstitutional.com must support these information needs, and not block the information-gathering process. Its tone should be brief and to-the-point.

Quality
Investment research and marketing managers rely on Morningstar for data they can trust. By being delivered over the Web, MorningstarInstitutional.com's information is more timely than ever before, and that fact should be promoted widely throughout the site.

Morningstarinstitutional.com voice attributes
The following voice attributes are consistent with the brand directives and are recommended for all content on the site:

- Authoritative (but not preachy)
- Direct, frank
- Through, extensive
- Natural, conversational
- Objective, sensible

Creating and organizing content

Facilitate the information-gathering experience
Customers should be provided with a seamless path through which they acquire information. Content should guide the experience; extraneous text should be avoided. Content should be organized intuitively and link to related content to enhance the user experience, not just because the mechanism is available. Although hyperlinking is the foundation of this medium, if used improperly, it can frustrate and alienate users. At its core, it should support user flows and thought processes.

Use content to guide users through the site
Navigational nomenclature should be clear, consistent, accurate, and reflective of the information within the category it describes. Customers should be able to find the information intuitively. Headings should be informative and unambiguous. They should act as cues that help customers make choices about what they want to read.

MorningstarInstitutional.com Content Matrix

Fulfilling content creation needs

Sapient anticipates that several types of content will be included on MorningstarInstitutional.com. Here is a list of those content types, along with guidelines for using the content on MorningstarInstitutional.com. Morningstar can use the list of content types below to begin sourcing (creating, buying, forming partnerships with third parties) this content. It will take time to collect and/or repurpose appropriate content for advisors. Sapient will work with the editorial staff of MorningstarInstitutional.com to craft a detailed plan for creating and/or obtaining this content.

Content MorningstarInstitutional.com

CONTENT TYPE	DESCRIPTION	SOURCE	RECOMMENDATION
EDITORIAL Targeted to the audience and expresses a point of view.			
Editorial	**News**	**Morningstar Newswire**	Reuse Morningstar Newswire content on MorningstarInstitutional.com.
		Third Parties	Expand contracts with parties that Morningstar.com currently uses, to include using that content on MorningstarInstitutional.com.
	Fund Spotlight	**Principia**	Currently a feature provided on Principia CDs. Morningstar needs to revise process to incorporate reusing these articles online.
	MMF Category Overviews	**Principia**	Currently a feature provided on Principia CDs. Morningstar needs to revise process to incorporate reusing these articles online.
	MMF Summary Sections	**Principia**	Currently a feature provided on Principia CDs. Morningstar needs to revise process to incorporate reusing these articles online.
	Fund Changes, Stock Changes, etc.	**Principia**	Currently a feature provided on Principia CDs. Morningstar needs to revise process to incorporate reusing these articles online.
			This information should be easy to access from an investment detail page.
STATIC Textual content that changes infrequently and usually expresses facts about the company or the site.			
Static	**Customer service**	**Original content**	
	Corporate Information • Press releases • Job listings • Company profile • International partnerships information • Product information	**Morningstar.com, Principia, original content**	Link to Morningstar.com for this information. Or, if appropriate, repurpose for users.
	Morningstar contact information	**Morningstar.com or original content**	Link to Morningstar.com for some information. Or, if appropriate, repurpose for users.
	Legal information	**Original content**	Repurpose any existing collateral. Legal information should be detailed enough to allay users' concerns.
DATA PRESENTMENT Quantitative content whose presentation must be closely considered, but which is usually dynamically generated.			
Data Presentment	**Snapshots**	**Principia**	Consider presentment
	Alerts	**Third Parties**	Consider presentment
		Morningstar • Products • Process changes • Errors • Etc.	Consider presentment
		Automatic • Practice-level • Client-level • Portfolio-level • Holding-level	Consider presentment
	Reports	**Principia**	Consider presentment
	Views (fund, stock, etc.)	**Principia**	Consider presentment
	Graphs	**Principia**	Consider presentment
	Morningstar page PDFs	**Principia**	Consider presentment
	Risk/Goal assessment questionnaires	**Original content**	Can probably create from existing Morningstar resources

MorningstarInstitutional.com Content Matrix

CONTENT TYPE	DESCRIPTION	SOURCE	RECOMMENDATION
HELP Provides assistance in using tools and features of the site.			
Help	Glossary FAQ Etc.	Original content	Should be specific to the site and written in a tone appropriate for users
	Process macros/wizards	Original content	Contextual performance support
			Identify appropriate format and subjects for this content
OTHER Content elements that are standard on most sites, but which do not fall easily into the other categories.			
Other	Advertisements	Third Parties	Consider how prominent this info should be so that users are comfortable with it.
			Consider the types of ads that users are comfortable with.
	Promotional content	Morningstar	Consider how prominent this info should be so that users are comfortable with it.
			May be distributed through several mechanisms.
	Navigational/instructional content	Original content	Create after information architecture is complete
	Site nomenclature	Original content	Should be consistent with brand strategy
			Create after information architecture is defined.
	Profile Site user profile Account profile	Original content	Determine what information will be requested from the user

Content MorningstarInstitutional.com

MorningstarInstitutional.com Content Assessment

High-level staffing recommendations

As MorningstarInstitutional.com enters the design phase, Sapient recommends that Morningstar begin interviewing and hiring those employees who will maintain the site. It is advisable that the following roles be filled as soon as possible, in the following order of priority, so that these individuals can be involved in the design process:

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Responsible for creating and updating all copy posted to the site. Must have a strong understanding of the Web medium, have a solid understanding of the site's voice, must be able to product copy on a deadline, and understand the content management package.

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About work flow

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Appendix E

Principia Pro Assessment

Principia Pro Assessment

What is Principia Pro?

Principia Pro is a windows application, similar to a Web browser. Principia exists on a user's hard drive or local area network. The user experiences the application exactly as the developer intended. Interactions with other systems or factors outside the developer's control generally do not impact the performance of the system. Principia's "PC Experience" is characterized by the following:

- User system processor speed is the only system constraint. This constraint is under the control of the end user.
- Mode-driven application controls where the use can go and what the user can do at any given time.
- System interactions and responses are synchronous and relatively instantaneous.
- Low-level, event-driven system interactions, such as right clicking objects and displaying cascading menus, occur with minimal user interaction.
- User can directly manipulate objects, for example, by clicking and dragging.
- Once written, a single code can run under several different environments.

What does it do?

Principia Pro has two functions:

- Investment research
- Portfolio creation

How does it do it?

The focus of the Principia experience is the data it contains. Users view the data, graph the data, and create portfolios from the data.

Deep navigational structure

Principia has a very deep navigational structure. Using Web terms, Principia has six levels of navigational systems:

- Application navigational system
- Mode navigational system (research and portfolio)
- Investment navigation system (mutual funds, stocks)
- Views navigational system (portfolios)
- Subview navigational systems (portfolios)
- Investment data navigation system (investment detail)

There are two primary modes of user interaction:

- Research mode
- Portfolio mode

These two modes subsume other site functionality and features.

Direct indirection

Its lack of highly hierarchical, directly focused user paths through the system makes Principia a powerful and flexible tool. Users can achieve some functions through multiple paths in the application.

Depending on the mode the user is in, the element being displayed, and the object the user has clicked on, menu options appear and disappear. This makes it very difficult to understand what features the product actually contains and how to access them.

For example, the user may want to "compare" investments. Several functions in Principia allow users to compare investments (graphs, benchmarks, reports, and searches on data elements, such as Morningstar ratings). Since these functions are not organized in a way that reveals the intent of the functions, users can become confused. Another example is the graphing of investments. If users have not selected any investments and click on the graph button, they are told that they must perform a search first, but no direction on how to execute the search is given.

Linear interactions

Actions within Portfolio mode are linear (end to end). Principia does not take into account non-linear activities that the user might want to perform, nor does it consider user intent.

In order to compare investments across universes, for example, users must create a portfolio and add holdings. The user can then choose to graph or generate reports based on the investments.

What works?

- Search mechanism lets users create customized search criteria on data points that are important to them.
- Application provides several ways to look at and compare investment data.

What does not work?

- Search syntax is complex and confusing.
- The interface does not make apparent or clearly describe the actual intent of functions and the value these functions offer.

Tradeoffs—Transferring Principia to the Web

The implementation of aspects of advisor and institutional workflow on the Web presents unique challenges, including

- Transforming a highly specialized Windows application into an effective and engaging Web experience.
- Transforming a small, procedural experience into an end-to-end, customizable experience centered around work.

Web experience

Unlike traditional applications, on the Web the browser is the desktop. Sites exist within the browser, but the browser has dominant control. Other differences with Web experience include

- Experience is constrained by bandwidth and other systemic constraints outside of the user's control.

Principia Pro Assessment

- Experience is page-driven. The user controls the navigation through pages and can take paths that were never intended by the designer. Users can enter and leave experience through several avenues without the notifying the system (exit the site by minimizing browser windows, enter the site using bookmarked pages other than the home page).
- "Call and response" system interactions submit and receive communications with a visible feedback lag time (asynchronous).
- As a result of call and response system interactions, direct manipulation of objects is impossible unless non-traditional Web technologies are used (manipulation requested must be submitted).
- Code must be written many times to support multiple platforms, multiple browsers, multiple plugins, and multiple scripting languages.

Traditional Web experiences

Traditionally, the Web has been successful with the following user experiences:

- Communication experiences—bulletin boards
- Content delivery experiences—viewing pages, searching
- Transactional experiences—e-commerce applications

Customizable "work" experiences

The development of MorningstarAdvisor.com and MorningstarInstitutional.com is a fundamental shift in what the Web is traditionally used for. The focus of the experience will not be the data, it will be the work that site users need to perform. The data is a conduit to complete this work.

In everyday experience, this work is inherently

- Non-linear—users do not complete every step in a process from beginning to end; there will be stops and starts throughout.
- Simultaneous—users work on more than one thing at a time.
- Predictable—work is done at regular intervals.
- Spontaneous (unpredictable)—new work may interrupt current work.

The work includes the following operations:

- Searching for information
- Viewing information
- Creating and manipulating information—graphs, asset allocations
- Managing information
- Exchanging/delivering information

As a result, the experience we create needs to be appropriate for the Web media and the user, and must take the following into account:

- Intent of use for activities
- Frequency of use
- All possible entry points and exit points for activities
- The level of direction the user will need to complete work
- The amount of flexibility the user will need to make the experience effective for them

In order to be successful, we need to provide representations that users prefer more than the systems they traditionally use. More specifically, we will need to create an experience that

- Minimizes "call and response" interactions
- Allows users to manage multiple activities at the same time
- Allows users to move from one activity to another quickly and without disturbing other activities they may be performing in the same site

Appendix F

Front-End Technology Benchmark

Front-End Technology Benchmark

Introduction

The Morningstar advisor and institutional web sites will attract users in the corporate environment. The user interface should be developed to leverage the advanced capabilities of client-side technologies available to users in the corporate environment. Today's Internet users demand an elegant and intuitive design. The Morningstar advisor and institutional Web sites will meet this expectation to provide differentiation within the market.

Leveraging the advanced capabilities of contemporary browsers means applying current technology, such as cascading style sheets and DHTML. These technologies help to achieve innovative and sophisticated interfaces that enhance the overall user experience and support the Morningstar's goals of implementing robust tools and building community through the advisor and institutional web sites.

Assumptions

- Implementation of the user interface must achieve excellence to differentiate Morningstar's offering in a highly competitive and crowded market.
- Presentation will be accomplished through the use of a content management system that will generate dynamically populated pages and apply predefined styles. Separating content from presentation using a CMS application allows for increased flexibility in updating and maintaining a complex and content-rich web sites.
- Appropriate technology will be applied to presentation challenges, with consideration to the balance of target market technology capability and the requirements in achieving "best of breed" in the elegance of user interface.
- The ubiquity of MSIE 5 as a standard browser, already at 24% in August of 1999, will be significantly higher by the anticipated site launch than indicated in current statistics. Microsoft browsers continue to gain market share and this growth reflects new installations of MSIE 5.
- Based on research provided by Morningstar and other sources regarding client operating system and processor speed, the target client platforms will be Windows 95, 98, and NT workstation running on a Pentium class processor. Macintosh and Unix platforms will be considered nonstandard implementations of the advisor and institutional Web sites. There may be an alternative set of criteria for testing and acceptance for these platforms.

Sources

The front-end technical benchmark is based on several sources of information that comprise a comprehensive technical profile of Morningstar advisor and institutional site users. The profile was used to develop recommendations for front-end technical benchmarks that will be used to guide development of the user interface. These recommendations will be further validated through a survey of Morningstar client technology platforms.

The sources are:

- StatMarket
- Zona Research
- Forrester reports
- Macromedia
- Morningstar-provided information

Technical Assessment

Recommendations – Benchmark Profile

The profile described below represents the model implementation that will be used to guide development of the user interface.

- Browser: MSIE 4.0 and higher
- Optimal implementation will be considered MSIE5. This means that some features specific to MSIE5 will be implemented, with the constraint that none of these features degrade performance on other browsers.
- HTML: Version 4.0
- Operating systems: Microsoft Windows 95, 98, NT4
- Screen resolution: 800 x 600
- Screen colors: 16-bit color palette
- Connectivity: 28.8K modem or higher
- Page weight: Target will be under 70K
- Download time: Estimated at 3K per second on a 28.8 modem
- Plugins: Acrobat Reader and Flash will be required to take full advantage of site functionality
- JavaScript: JavaScript 1.2 will be used to create dynamic presentations and to perform client-side functions as required to interact with server-side applications

What does this mean?

- All anticipated functionality will be implemented according to specification using this client technology profile as a guideline.
- Provides an enhanced user experience with more robust functionality.
- Some users may have to upgrade or use an alternate browser.
- These requirements must be communicated in subscription information distributed by Morningstar.

Technical Assessment

Front-End Technology Benchmark Web Browsers

Web browsers

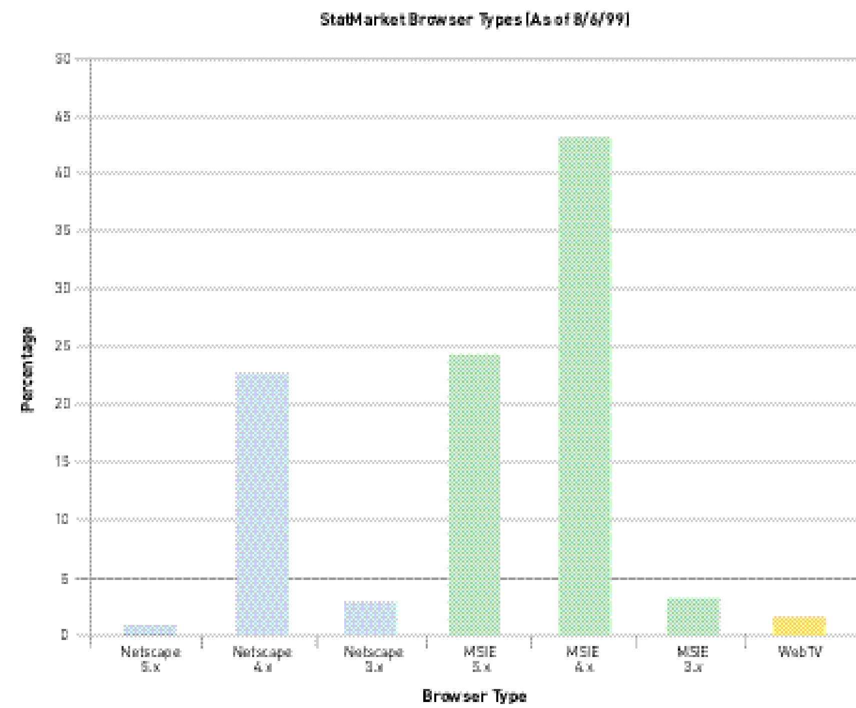
Anticipating the array of technical capabilities of the site's subscribers is essential to ensuring that key design and development decisions support the target population.

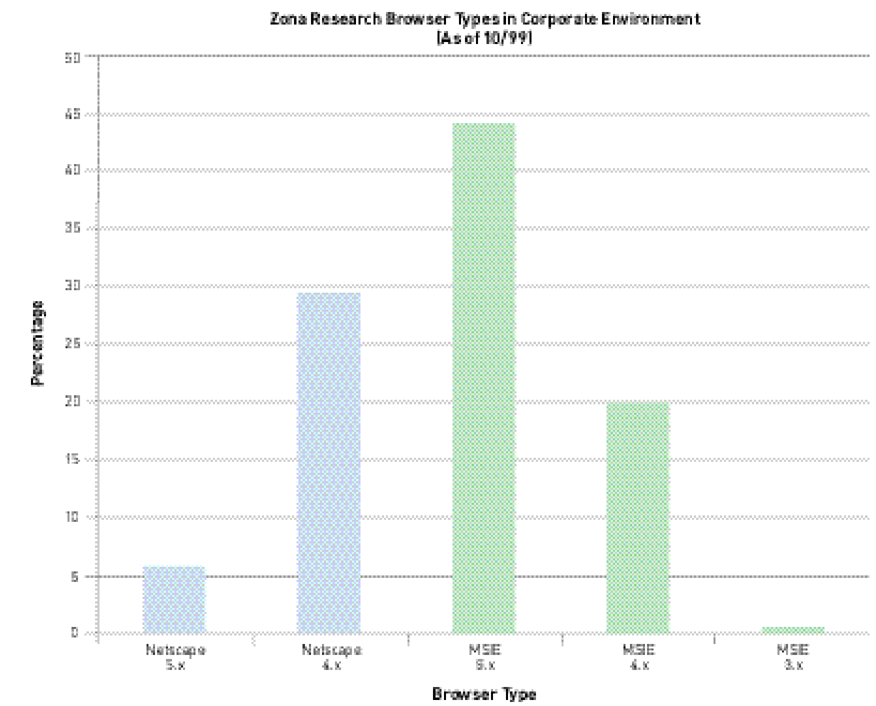
Sapient gathered data from three sources regarding browser usage. These included StatMarket, Zona Research, and Forrester reports.

Summary of data

- A StatMarket report from August 1999 reported that 92% of all U.S. internet users browsed with version 4 or higher
- A survey conducted by Zona Research in October 1999 found that 99% of browsers used at work are version 4 or higher.
- The same Zona survey of corporate Internet use reported that 73% of respondents indicated that a policy regarding a browser standard was enforced.
- Of those respondents indicating browser requirements, 67% require MSIE 4 or 5.
- Morningstar competitors in the subscription-based market, such as Schwab Institutional, require the use of version 4 browsers.

Morningstar advisor and institutional sites will require the use of version 4 browsers. Support for the anticipated functionality and presentation of the Web applications for the advisor and institutional sites, specifically DHTML and Java, cannot be guaranteed for browsers lower than version 4.





Technical Assessment

Recommendation

Browser testing and support for front-end technology will consist of unit testing a set of screens that represent the application of the visual design system to the site. A detailed plan for quality assurance criteria and testing will be developed for the implementation phase.

HTML

- HTML 4 will be used to construct page presentation.

HTML 4 is an evolution of the markup language that governs the display of content on web pages. Major improvement in version 4 over earlier versions include: mechanisms for style sheets, scripting, embedding objects, improved support for right to left and mixed direction text, and enhancements to forms for improved accessibility for people with disabilities.

Sapient will use the transitional version of this markup language, which includes some tags and attributes that are deprecated in version 4, but still supported by browsers.

Browser plug-ins

- The Morningstar advisor and institutional sites will require the use of Macromedia Flash and Acrobat Reader plug-ins for users to take full advantage of reporting and data view features on the site.
- Macromedia Flash Player plug-in will be used for some reporting functions.
- PDF files will be used to create documents for printing.

Macromedia reports that, "In December 1999, NPD Research, the parent company of MediaMetrix, conducted a study to determine what percentage of Web browsers have Flash preinstalled. The results show that 85.6% of Web users can experience Flash content without having to download and install a player." The Flash Player is included with Windows 98, Windows 95 OEM upgrade CD, and Macintosh operating systems. It is also distributed with Internet Explorer 4 CD and Web installations, Internet Explorer 5, Netscape Navigator browsers version 4.0.6 and above, and the America Online 5.0 CD.

Adobe Acrobat Reader is used to print platforms independent documents. According to a StatMarket survey, Acrobat Reader has an installed base of 36% in the United States.

JavaScript

- JavaScript 1.2 will be implemented to achieve dynamic display of information.

JavaScript will be implemented so that it can be implemented on all target browsers. There may be some variation of implementation based on the native capabilities of the browser. Where these discrepancies in implementation exist they will be documented and communicated as part of the quality assurance criteria.

Cascading style sheets

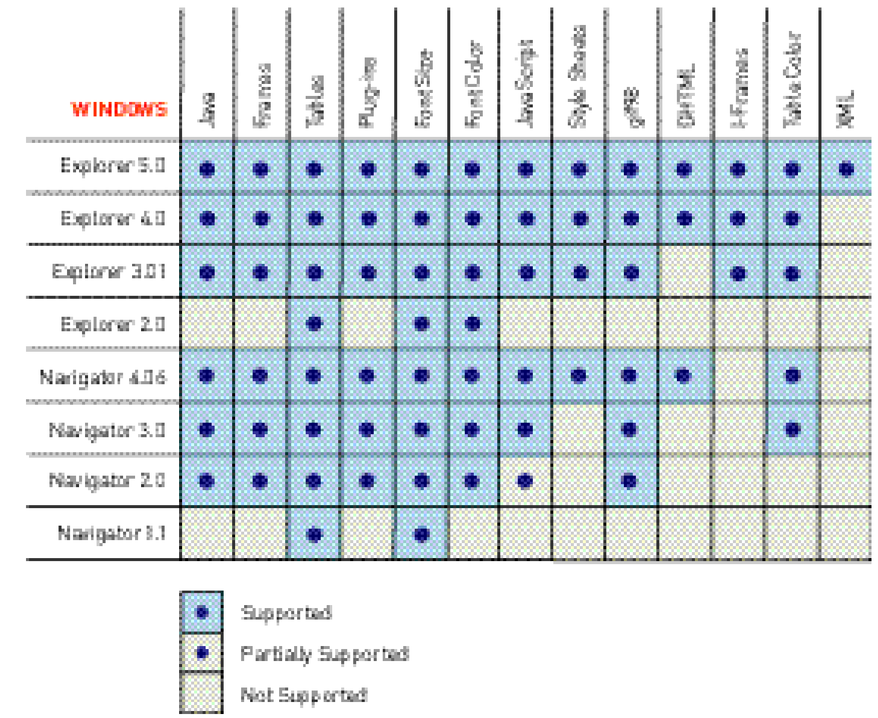
- CSS 1.0 with the subset of features of 2.0 identified as CSS-P (positioning) will be used to implement some presentation elements of the user interface.

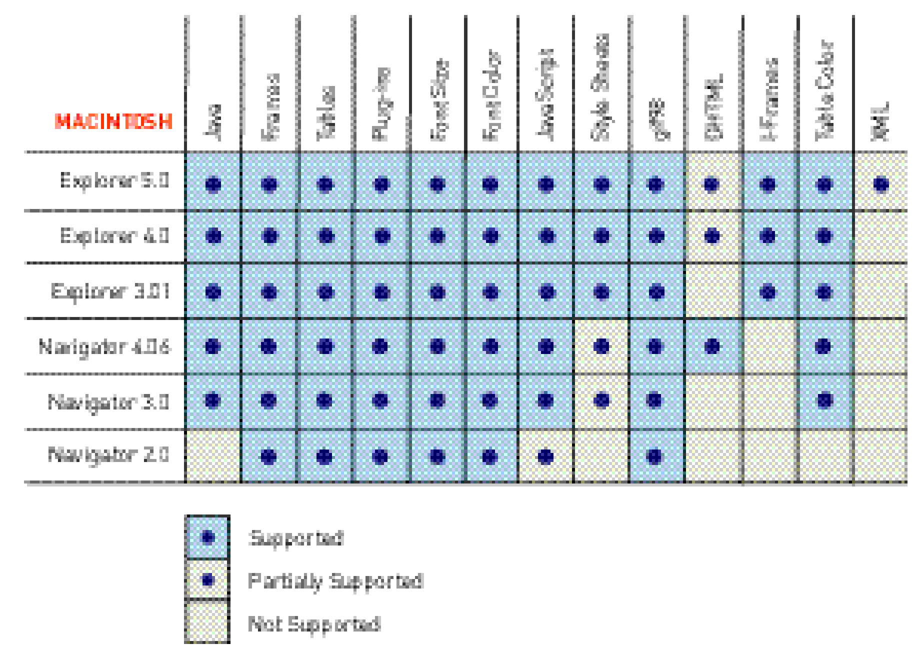
CSS will be used to enhance typography and the display of HTML objects in the application interface. There is variation in the implementation of this standard between MSIE and Netscape browsers. Style sheets will be developed to optimize presentation in targeted browsers. This will require using JavaScript to detect the user's browser type, then serving the appropriate style sheet for the user's platform. Variation in presentation will be documented and reflected in quality assured criteria.

CSS will be used for dynamic presentation of information through manipulation of style sheet properties by JavaScript (DHTML). CSS attributes unique to IE5 will be used with the requirement that such implementation does not disrupt performance on non-compliant browsers.

Extensible markup language (XML)

- XML will be used to define data that is generated by application processes. In this release of the sites, XML will be served to the client as HTML.





Technical Assessment

The capability to serve XML to the client will be retained as that capability is nearing full implementation across browsers. The Web server, content management system, and application servers will pass data using XML. This implementation is outlined in more detail in documents delivered in the Common Components track.

Frames

- Frames will be implemented only as necessary to incorporate third-party content.

Client delivery platform

Target delivery platform

Determining the anticipated hardware configurations that clients will use to access the advisor and institutional sites is essential to developing a testing environment and optimizing presentation of content. Sapient used several sources of information to create this profile of the current state of client technology. The relevant summaries follow.

The aspects of the delivery platform considered include the user's operating system, screen resolution, and screen colors and connectivity.

Operating systems

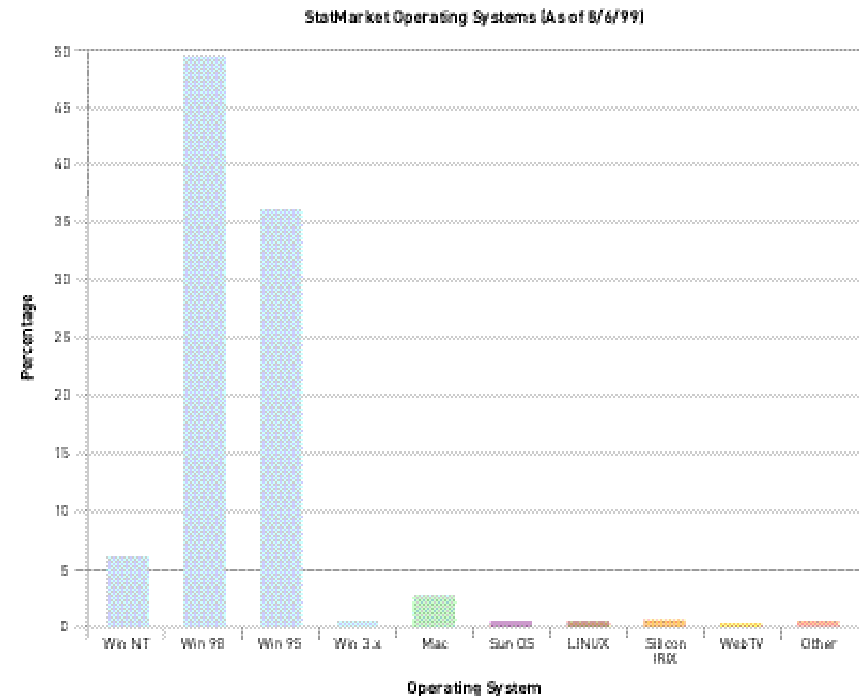
- Morningstar target platforms include Windows 95, Windows 98, and Windows NT.

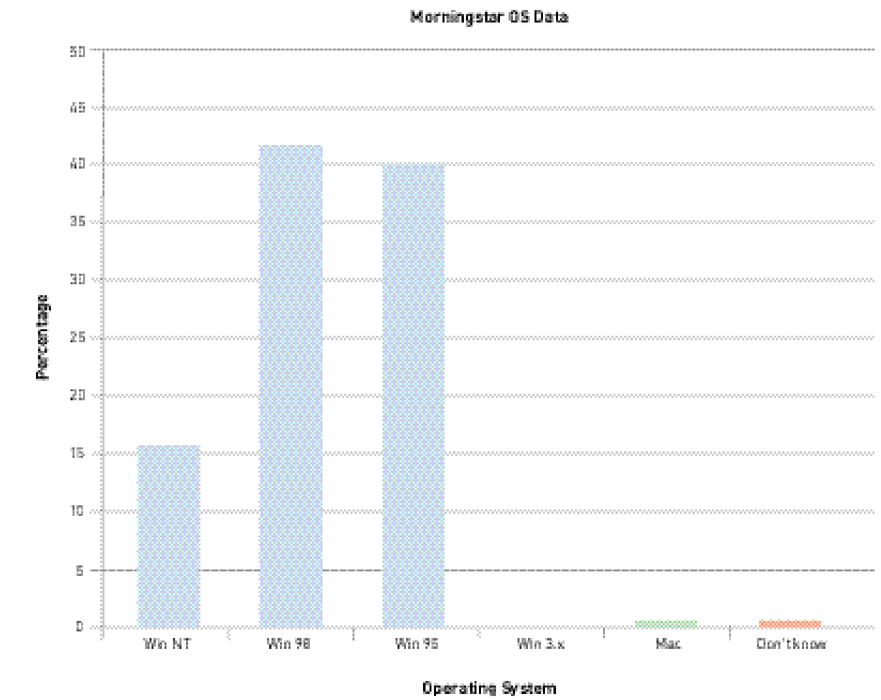
Data collected by StatMarket and Morningstar regarding client use of indicate that virtually all visitors to the site will be using one of these platforms.

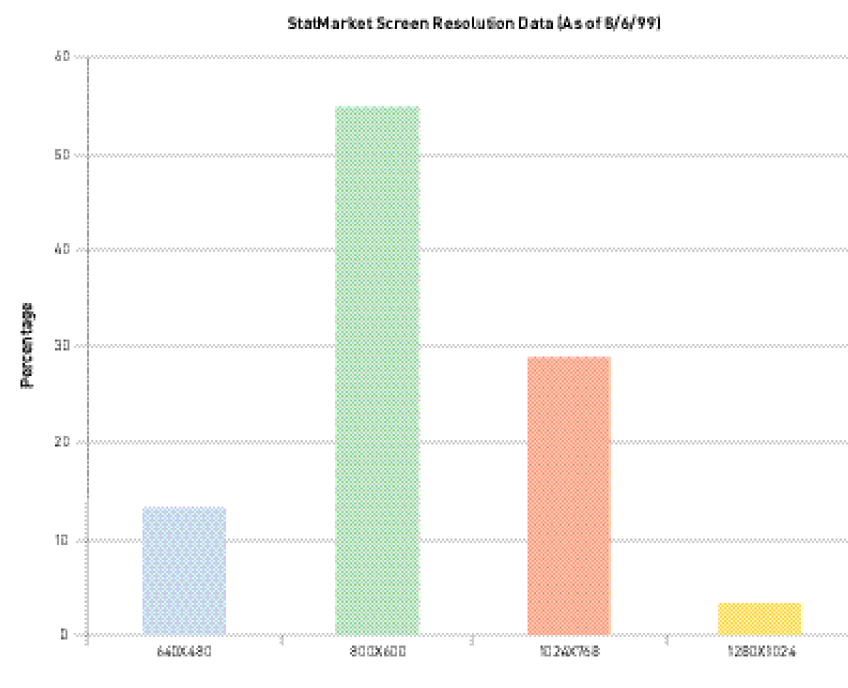
Screen resolution

- Advisor and institutional sites will be designed with a target screen resolution of at least 800 x 600.

An overwhelming majority of visitors to the site can be expected to have even higher resolutions. The 800 x 600 specification indicates the lowest screen resolution that will not require horizontal scrolling. This resolution assumes that users will have the browser window maximized.







Technical Assessment

Screen colors

- Advisor and Institutional sites will be designed with a target 16-bit screen display.

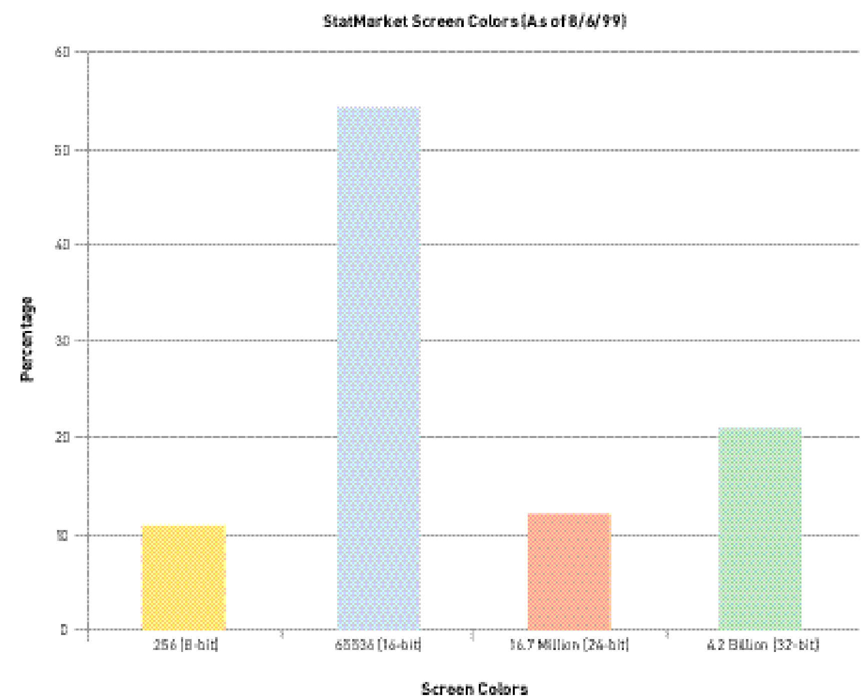
89% of users in StatMarket's August 1999 survey had screen resolutions of 16-bit or higher. This number can be expected to increase by the expected launch of the sites.

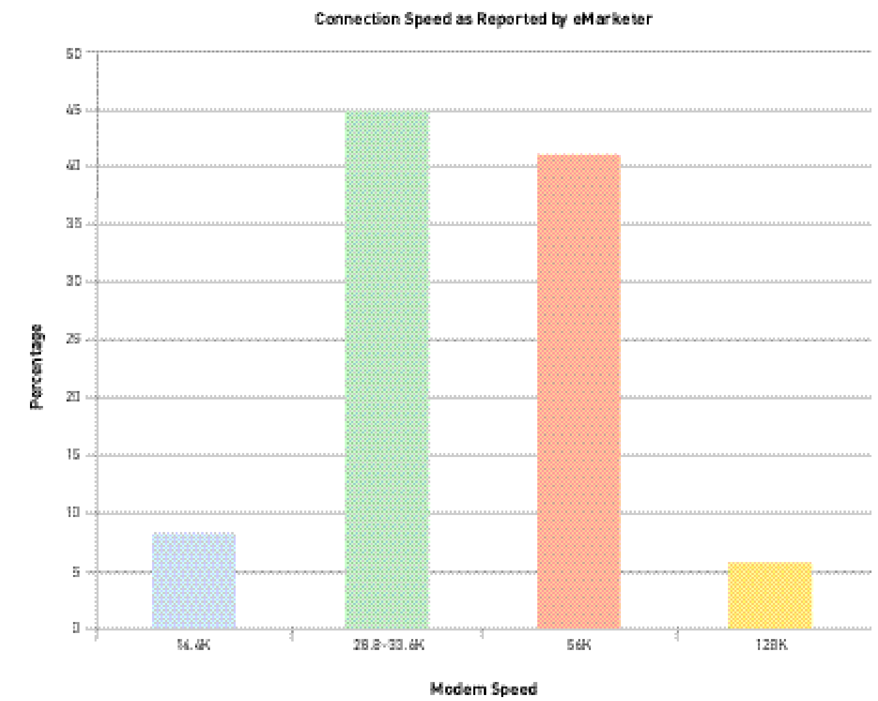
Connection speed

- The Advisor and institutional sites will be developed to target users with at 28.8 baud modems.

Most users will have much faster connections, such as T-1 connections over corporate LAN.

The lower speed connections will be considered in designing the site to accommodate users who will connect to the site from home. Download time based on connection speed will be determined by using a calculation utility. Details will be documented in the testing plan.





Appendix G

Other Model Options Considered

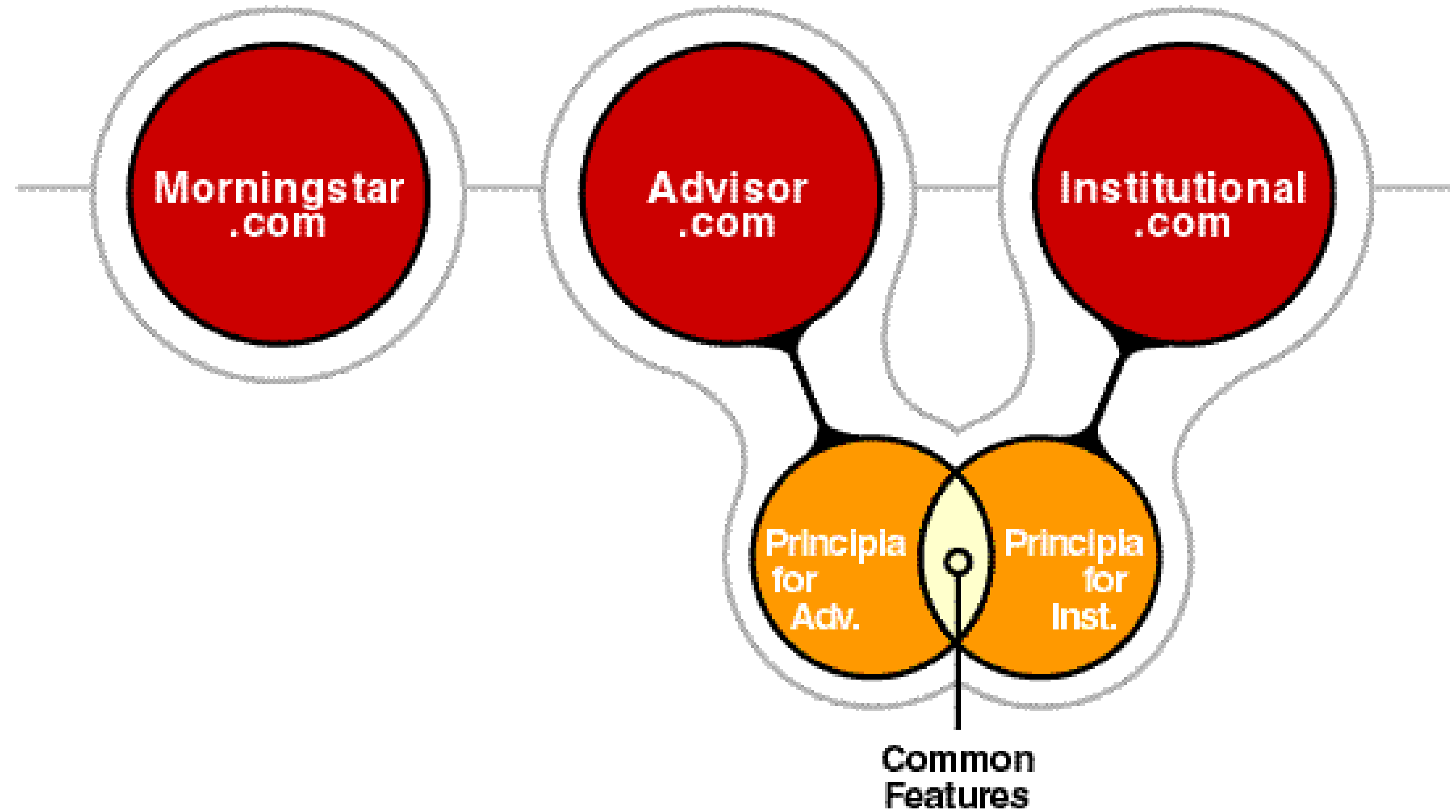
Models: Other Options Considered

To help Morningstar arrive at the best method of structuring its Web presence, Site Strategy generated and assessed several models that take differing approaches to the solution. For each option, we examined related brand implications, pricing models, user access, and other issues integral to the success of the Morningstar offering. An analysis of the following alternative models led to the selection of the model discussed in the main section of this document as the most suitable.

Model 1

MorningstarAdvisor.com and MorningstarInstitutional.com remain stand-alone Web-based brands bundled with Principia.

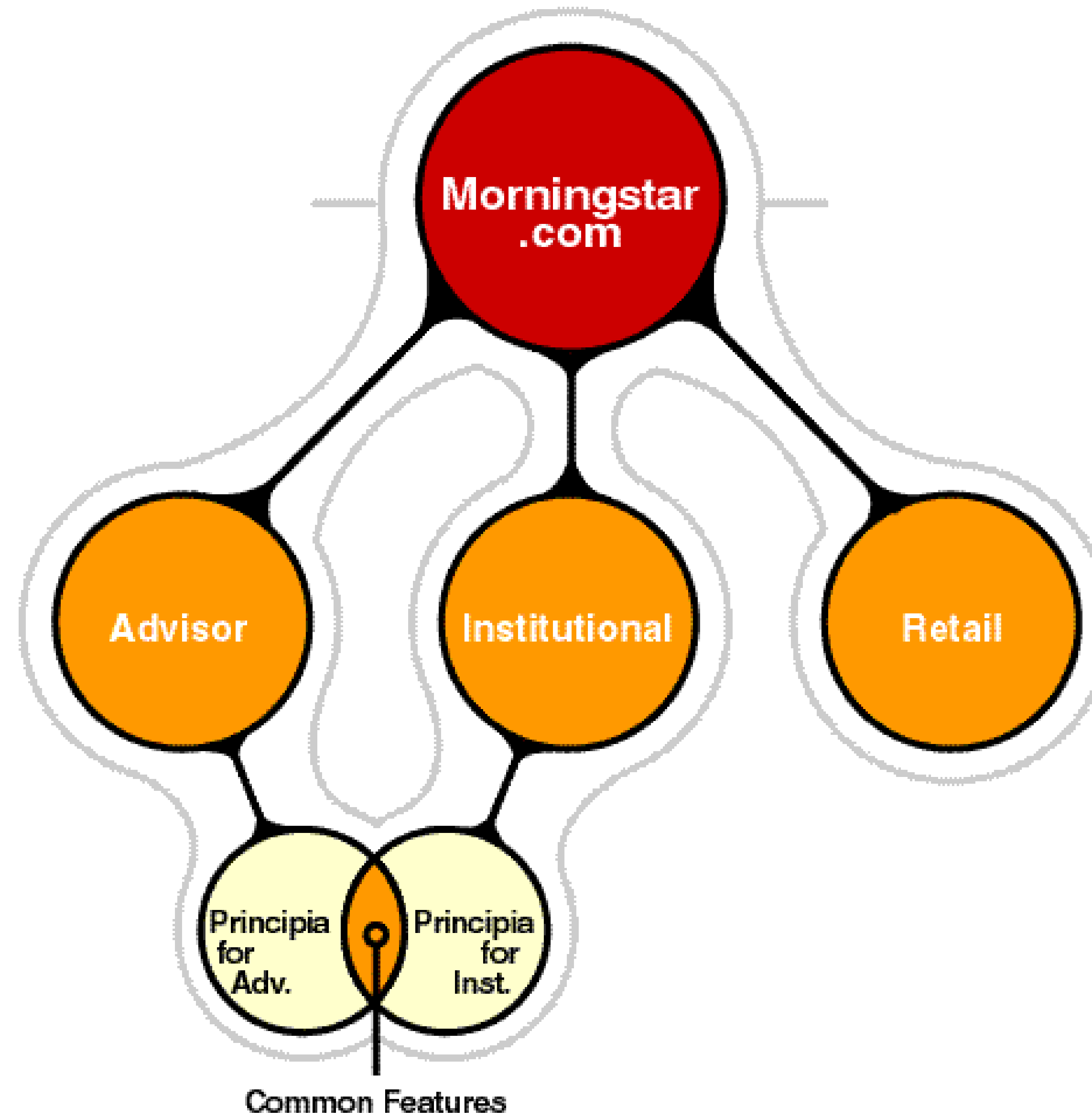
- Provides for discrete advisor and institutional product offerings.
- Aligns with existing organizational structure.
- May not support an interaudience marketplace.
- Morningstar.com continues to refer only to the retail segment.



Model 2

An audience-based approach segments the site into consumer interest points: Advisor, Institutional, Retail.

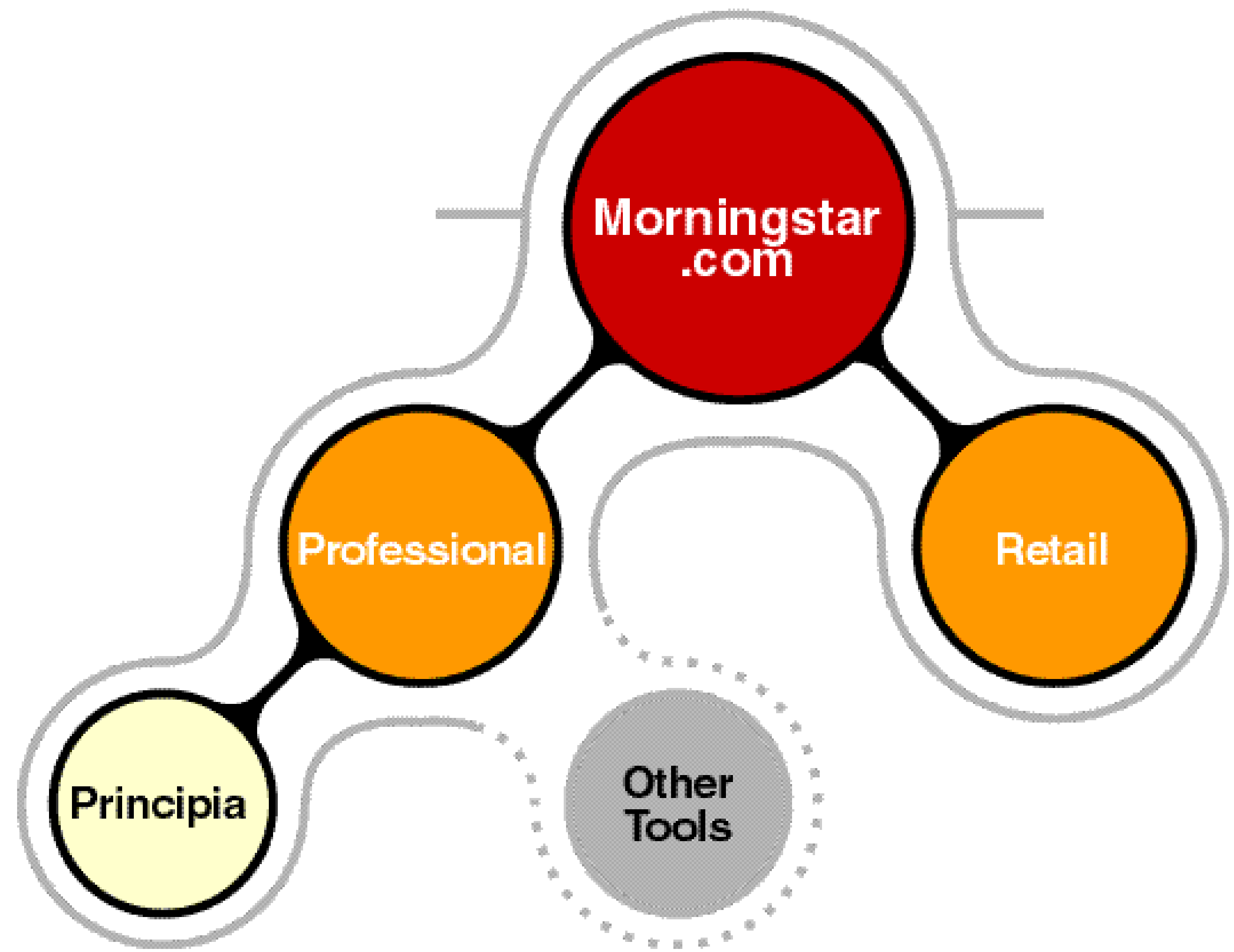
- Creates distinct branding opportunities, elevating individual segments into communities.
- Aligns with existing business structure.
- May reduce revenue due to the site's product transparency and promotional nature.
- Could create marketing and customer segment confusion.



Model 3

A single point-of-entry divides the site into professional and retail experiences.

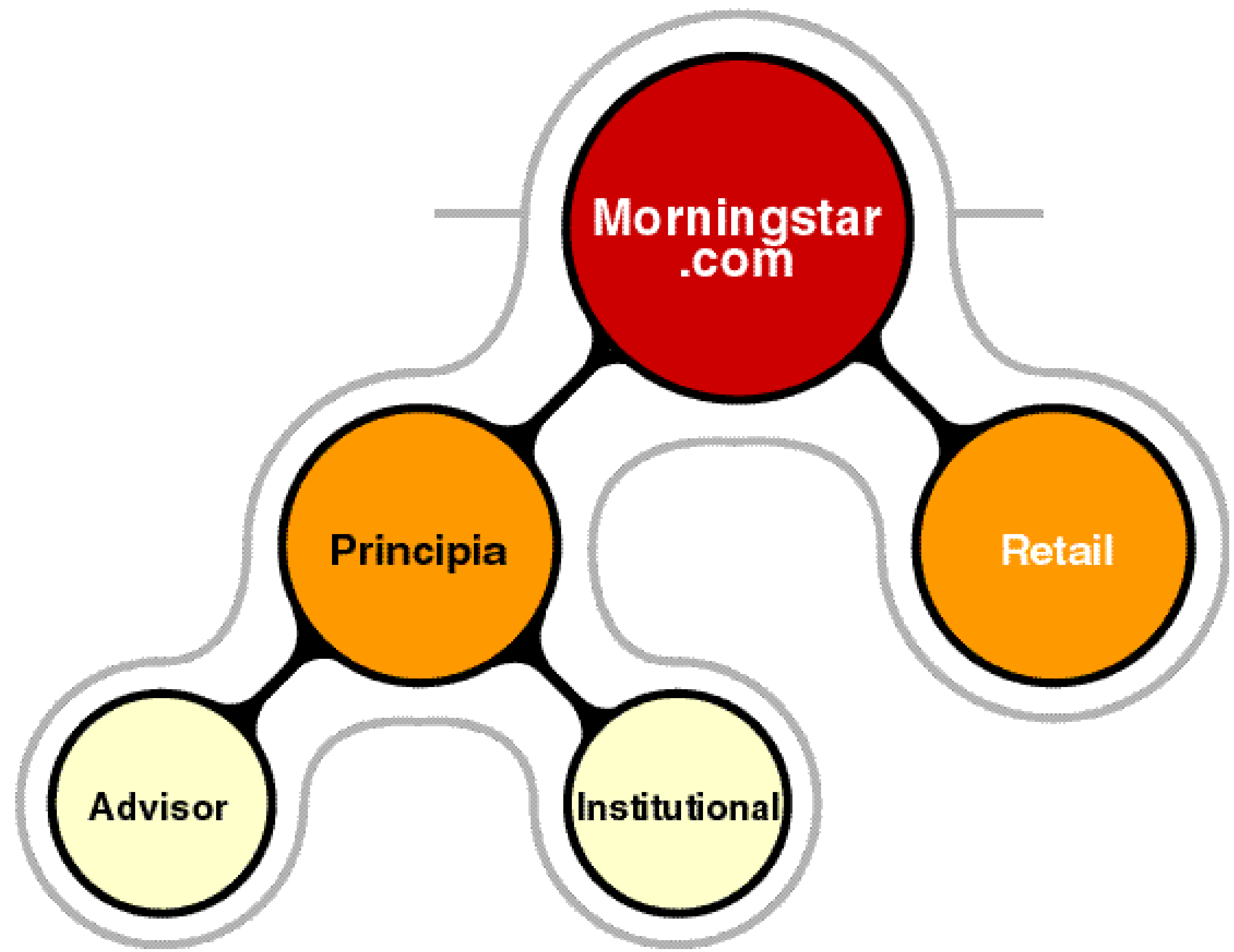
- Provides an integrated, scalable experience targeted to individual needs.
- Promotes only one brand, simplifying marketing efforts.
- Mitigates visible pricing differences among advisors and institutions.
- Implies increased coordination between advisor and institutional staffs.



Model 4

A product-based approach segments the site into retail and non-retail categories.

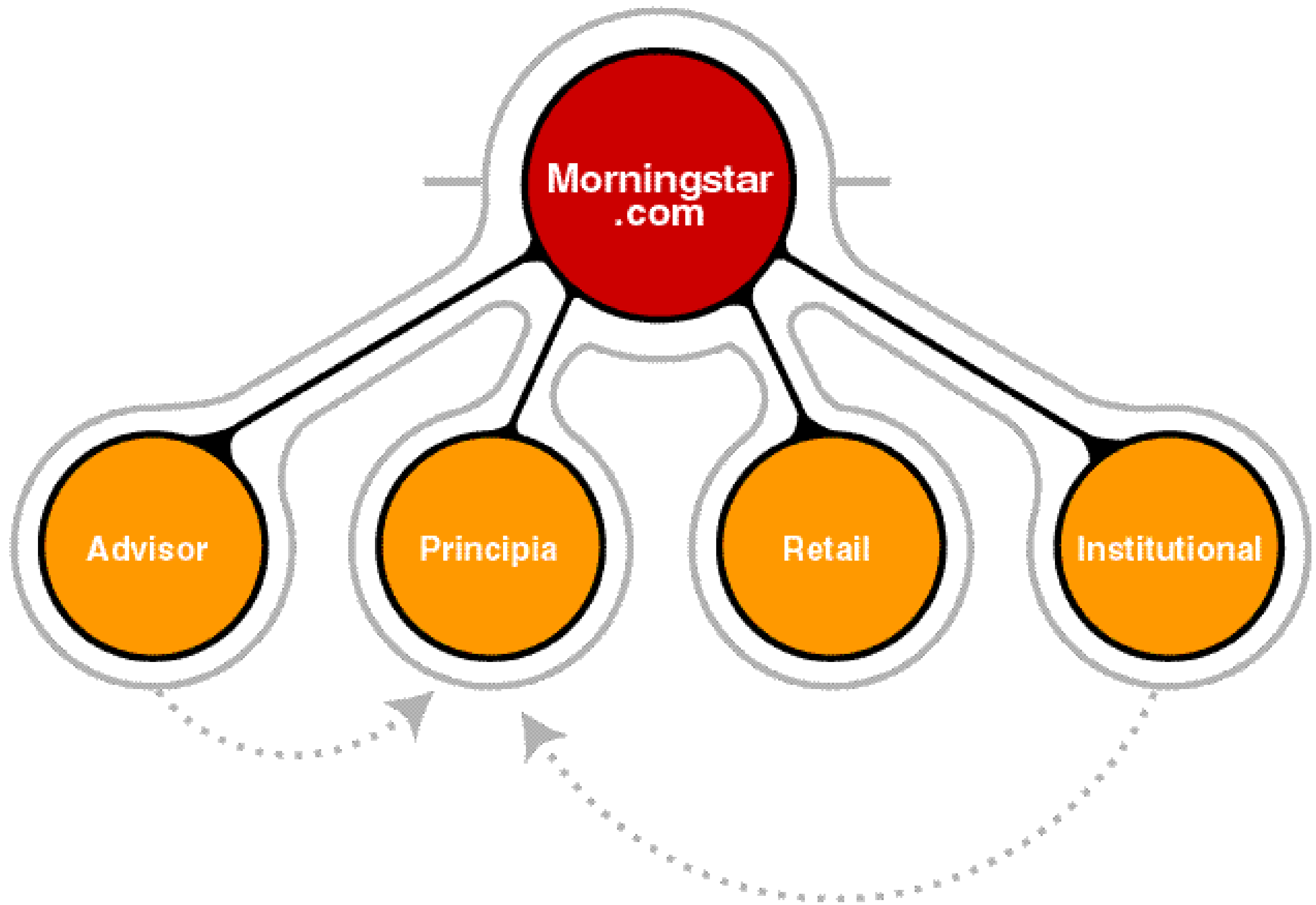
- Provides for discrete advisor and institutional product offerings.
- Aligns with the existing organizational structure.
- May not support an inter-audience marketplace.
- The retail segment continues to have its own, distinct experience.



Model 5

A product and audience-based approach segments the site into numerous components.

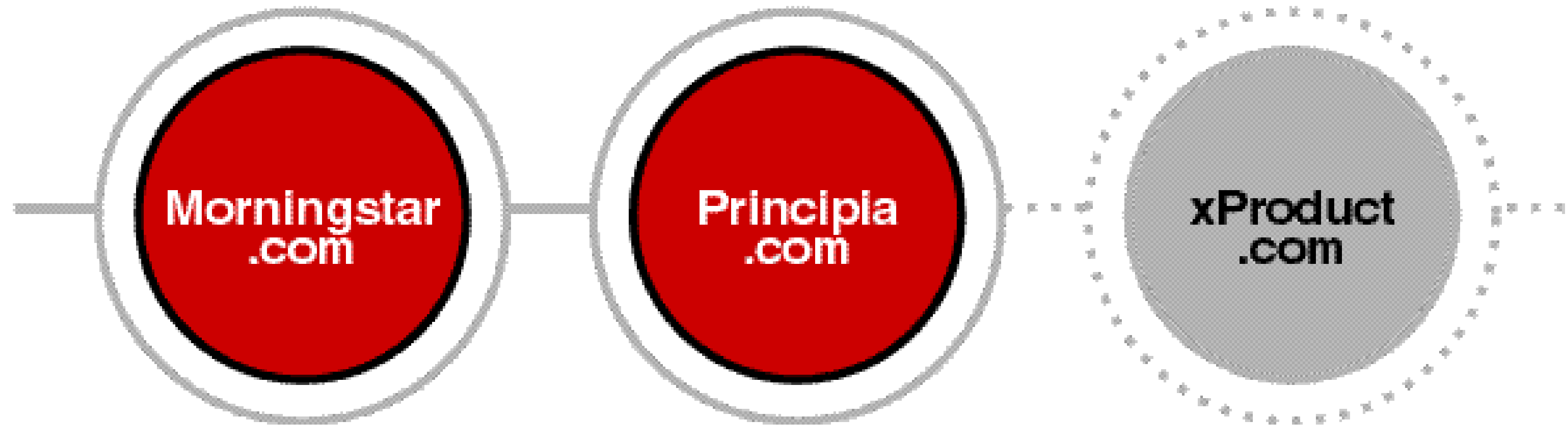
- Specializes in destination-oriented users who want to "get in and get out ... no time for community activities."
- Principia's brand equity remains intact.
- Pricing transparency could adversely affect revenue.
- Community experience could be fragmented, confusing, and ultimately not engaging.



Model 6

A product-based approach creates sites for every prominent product.

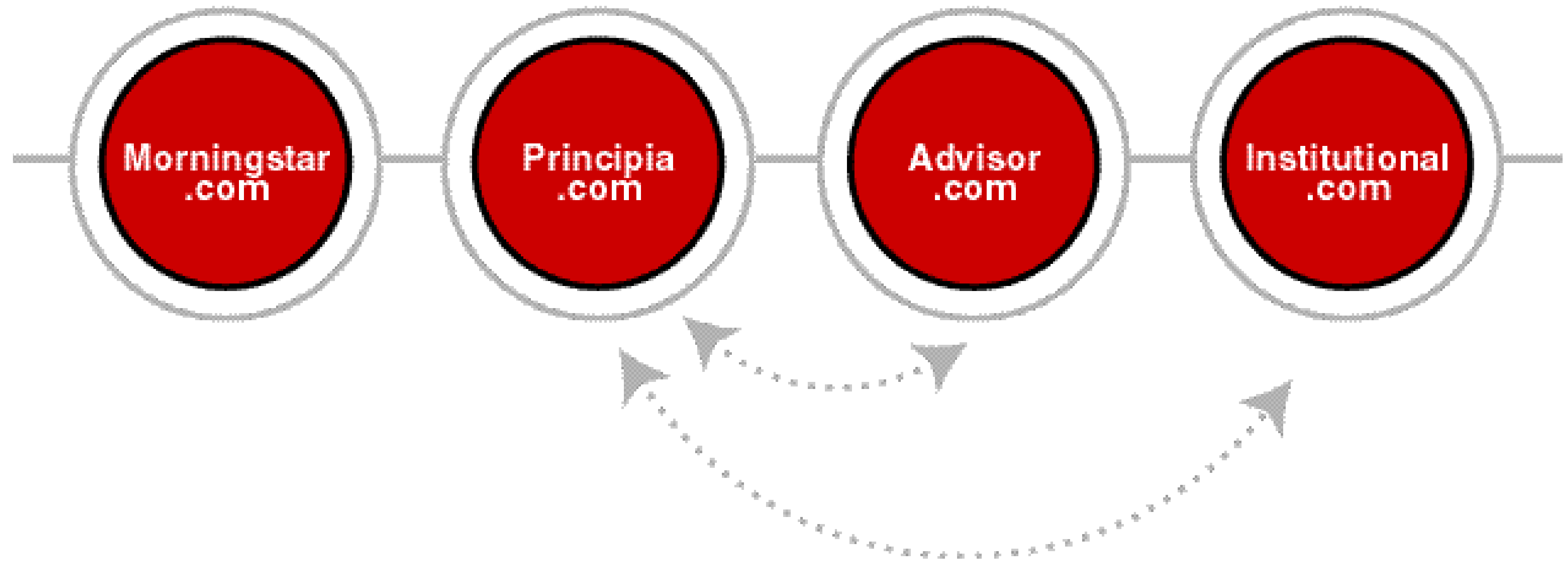
- Product focus allows marketing specific product benefits.
- Offers short-term benefits, but lacks alignment with Morningstar's long-term vision.
- A greater number of user experiences increases design and implementation work.
- A fragmented experience may cause users to feel that the sites do not address all their needs.



Model 7

A product and audience-based approach creates access channels based on value recognition.

- Maintains current revenue stream of advisor and institutional.
- Maintains product focus and audience segmentation.
- Dilutes user-perceived value of MorningstarAdvisor.com and MorningstarInstitutional.com.
- Audiences may get fragmented messages about the value Morningstar provides.



Appendix H

Strategy Session Summary

Strategy Session Summary

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MORNINGSTAR

Strategy Working Session
DRAFT Presentation V3

December 14, 1999

REVISED January 7, 2000

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Working Session Objectives

MORNINGSTAR

- To build a preliminary, shared "vision" of Morningstar's future on-line relationships with:
  - Individual investors
  - Advisors & Intermediaries
  - Institutions
  - Partners & Alliances
- To gain a preliminary understanding of the operating strategies that align with our "vision"
  - Financial Strategy
  - Market Strategy
  - Brand Strategy
  - Organizational Strategy
  - Technology Strategy

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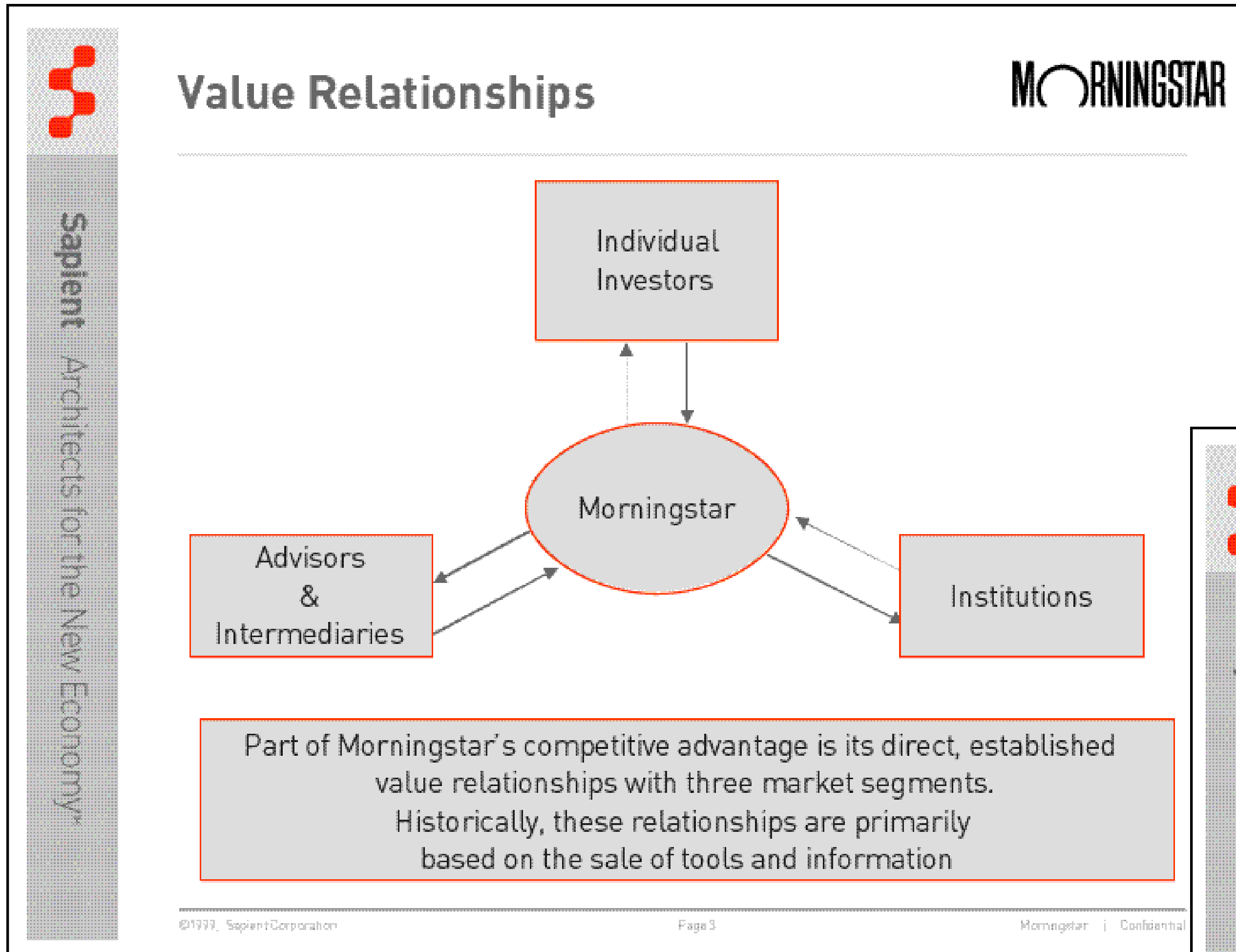
Strategy Session Summary



Strategy Session Summary

There are important near-term strategic decisions to be made

MORNINGSTAR

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Financial
- How will we price our on-line offerings?
- Will we trade tool & information revenue for market share?

Market
- Who do we target for on-line offerings?

  Priorities?

Brand
- How will we leverage our brand across markets?
- What aspects of our brand need change or development?

Organizational
- What changes to our organization do we anticipate and need to plan for / act upon?

Technology
- What are the technology implications of the shared services we might offer (e.g., Portfolio Management, integrated model, etc.)?

A shared, preliminary operating strategy provides context and direction for more tactical decision making

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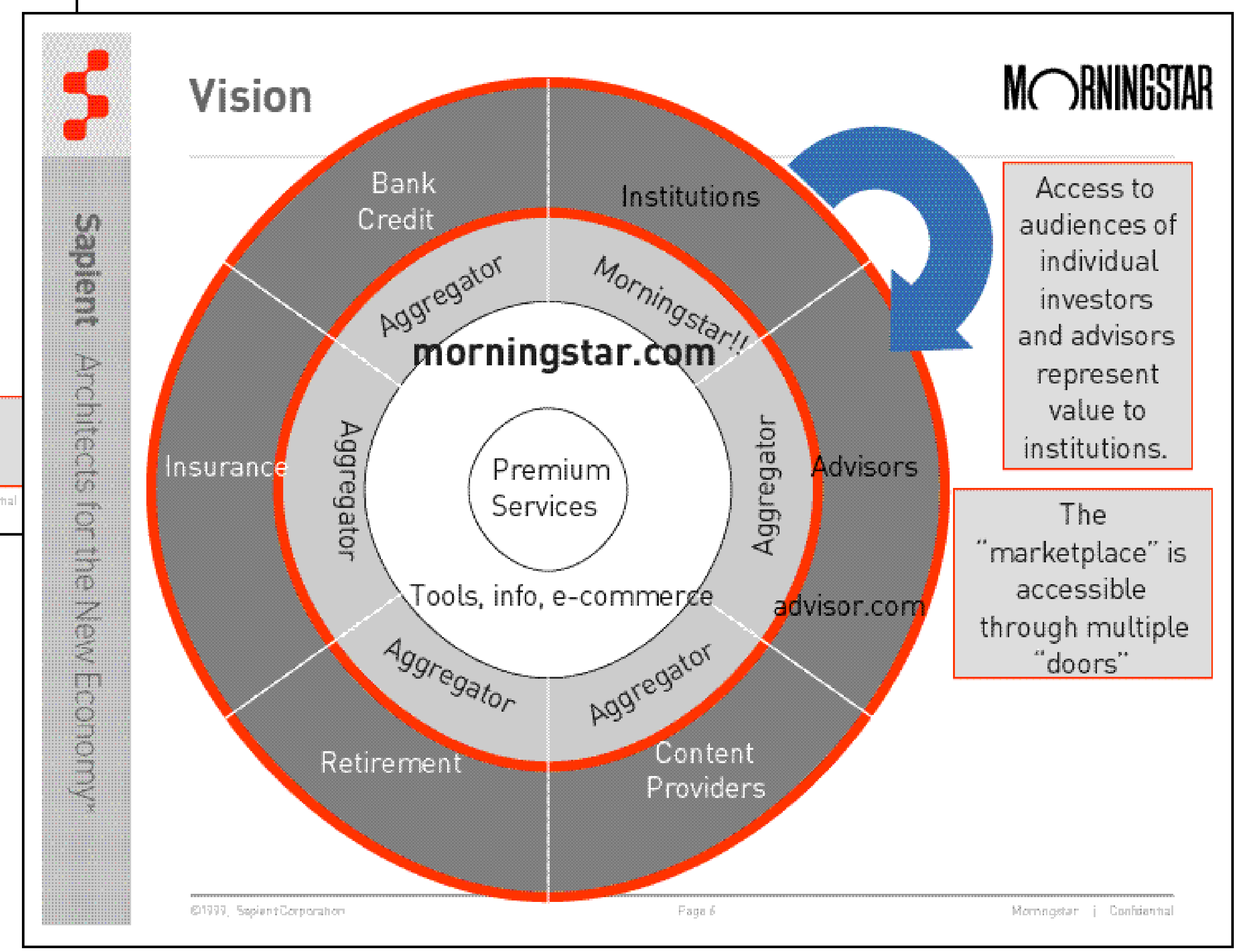
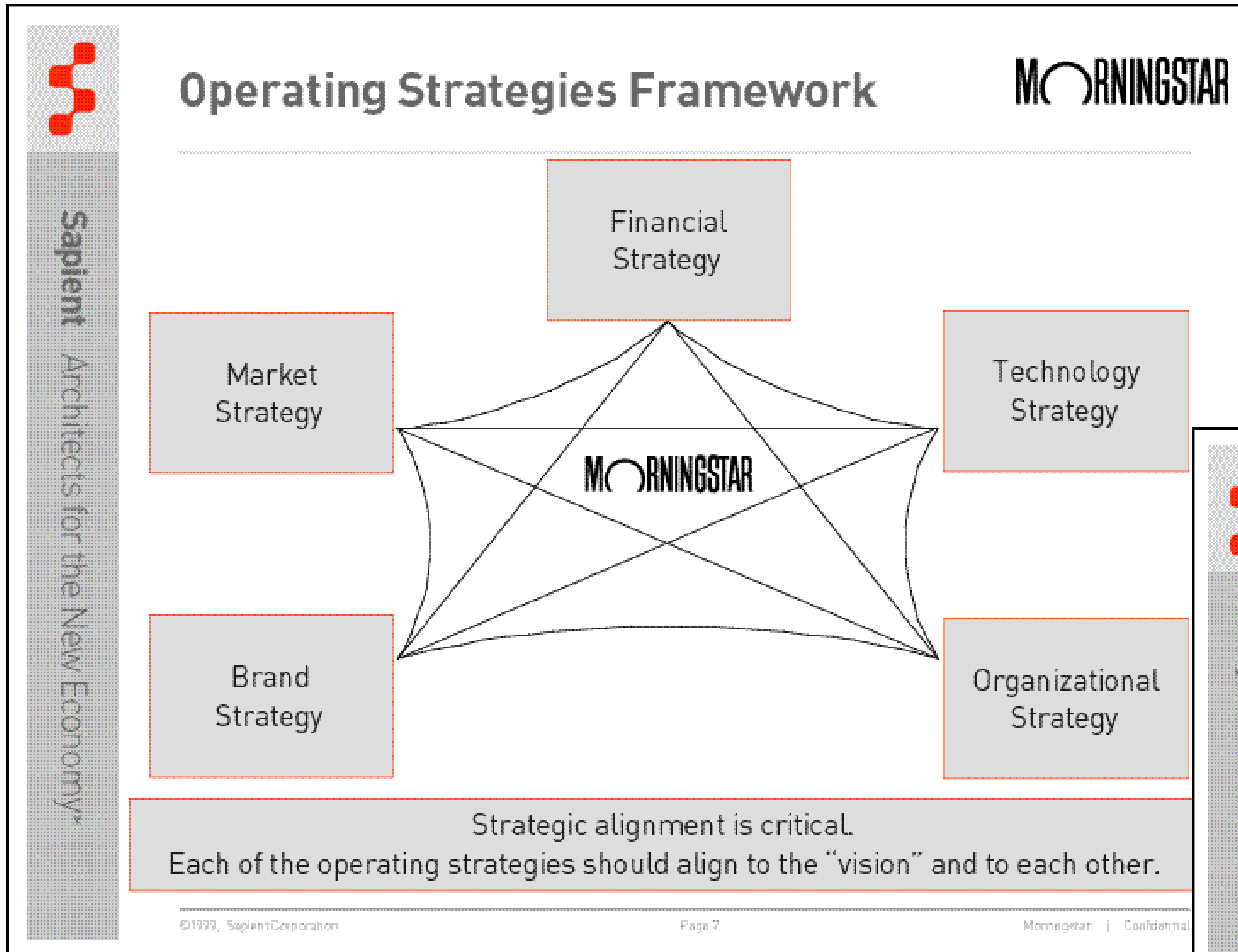


Strategy Session Summary



Financial Strategy

MORNINGSTAR

Revenues from Individual Investors

- → Free tools & information through morningstar.com
- → Fee-based, **a la carte** premium tools, information and services
  - → Preserve existing direct revenues from this market
  - → Qualify individual investors for other interested audiences (e.g., advisors & intermediaries, institutions and partners)
- → E-commerce commissions and direct sales
  - → Reports
  - → Publications
  - → Tools
  - → Classes
  - → Hard goods (mugs, pens, etc.)
  - → Books, tapes, etc.

Must Morningstar sacrifice direct revenues from individual investors in order to build a large audience that advisors, intermediaries and institutions will pay to access?

Strategy Session Summary

Financial Strategy (continued)

MORNINGSTAR

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Revenues from Advisors & Intermediaries

- Free tools & information through advisor.com
- Fee-based, **a la carte** premium tools, information and services
- E-commerce commissions and direct sales
- On-line conferences (free or fee?)
- Pay for Consumer data from morningstar.com
- Pay for access to individual investors (at morningstar.com)
  - Registration fee for morningstar.com?
  - Per referral?
  - Advertising?
  - Bundled with tool offering?

Is the current audience of individual investors at morningstar.com attractive to current advisor and intermediary customers?
What is the right way to charge advisors and intermediaries for access to individual investors at morningstar.com?

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Financial Strategy (continued)

MORNINGSTAR

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Revenues from Institutions

- Pay for tools & information (on-line & data services)
- Pay for consumer data from Morningstar.com and Advisor.com
- Pay for access to Investors (Morningstar.com) and Advisors (Advisor.com)
  - Registration fees?
  - Fee-based referrals?
  - Advertising?
  - Transaction fees?

What is the right way to charge institutions for access to morningstar.com and advisor.com audiences?

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Strategy Session Summary

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Financial Strategy (continued)

MORNINGSTAR

Revenues from Partners & Alliances

- International Partners
  - Share of equity
  - Licensing / Franchising
- Suppliers of content to morningstar.com and advisor.com (e.g., Multex, etc.)
  - Exchange of in-kind value (brand visibility)
  - Shared revenue for traffic
- Distributors of Morningstar content (e.g., Yahoo, MSN, etc.)
  - Exchange of in-kind value (brand visibility)
  - Licensing Fees

What is the appropriate method for monetizing the value of the morningstar.com and advisor.com audiences to partners? Traffic, not money, is often exchanged between partners.

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Financial Strategy (continued)

MORNINGSTAR

Revenues from Partners & Alliances

Currently we are receiving revenues from AOL, Yahoo, etc., by providing them with content as they "aggregate" their audience of investors. How will this relationship change if one of the foundations of our strategy is to aggregate our own audience of investors?

Is acquisition by a portal a potentially viable market/financial strategy?

What role does/should Softbank play in answering these questions?

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Strategy Session Summary

Sapient Architects for the New Economy

Financial Strategy (continued)

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Other Issues

- How will Morningstar distinguish and disclose direct and indirect revenues?
- How/where will revenues be accounted for across lines of business?

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Market Strategy

MORNINGSTAR

Individual Investors

Tools
Advisor references
Broker references
Institution references
Tracking data
Advice
e-commerce

Advisors & Intermediaries

Tools
Institution references
Tracking data
Advice
e-commerce
Access to morningstar.com

Institutions

Tools
Attribution
Research
Education
Advice
Tracking data
Access to morningstar.com
Access to advisor.com

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Strategy Session Summary

Sapient Architects for the New Economy

Market Strategy (continued)

MORNINGSTAR

Individual Investors: "Aggregate" at morningstar.com

- Provide leading tools (aligned with those provided to advisors and institutions) and information to attract individual investors
- Emphasize Morningstar's differentiation as a unique provider of value-added tools, information, advice and "marketplace"
- Make an "objective" presentation of advisors, intermediaries and institutions to individual investors. Demonstrate the benefit to individual investors of these new on-line relationships with advisors and institutions

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Market Strategy (continued)

MORNINGSTAR

Advisors & Intermediaries: - "Aggregate" at advisor.com
- Provide access to morningstar.com

- Provide leading tools (aligned with those provided to morningstar.com investors and institutions) and information to attract advisors & intermediaries to advisor.com
- Market and sell access to the morningstar.com investor

Our current morningstar.com investor "do-it-yourself" and "validator" audience may not be attractive to our current advisor customers.

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Strategy Session Summary

Market Strategy (continued)

MORNINGSTAR

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Institutions: - Provide tools and deep information & analysis
- Provide access to individual investor and advisor audiences at morningstar.com and advisor.com

- Provide institutional-level tools and information
  - Tool standards aligned with individual investor and advisor offerings (facilitates interactions)
  - Increased depth of information
- Provide comparative analysis to inform
  - Product development
  - Marketing programs
- "Sell" access to individual investors (morningstar.com) and advisors & intermediaries (advisor.com)

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Market Strategy (continued)

MORNINGSTAR

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Partners & Alliances: - Broaden services to investors
- Increase traffic to morningstar.com
- Expand to new markets

- Content Providers (e.g., INSweb, e-loan, Multex, Big Charts)
- Co-Branding (e.g., Yahoo Finance, MSN, AOL, Big Charts)
- International
- Morningstar will work with aggregators (who rate, select, assure quality) in segments in which we are not the aggregator

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Strategy Session Summary

Sapient Architects for the New Economy

Market Strategy (continued)

MORNINGSTAR

Issues

- ➔ Morningstar cannot appear biased towards any one vendor. Doing so risks Morningstar's "independent & objective" brand image towards the individual investor
- ➔ How does Morningstar deal with aggregators who are portals?

Our current morningstar.com audience may not be attractive to our current advisor audience. If part of our strategy is to leverage the morningstar.com audience to advisors, more consideration is needed about the current morningstar.com audience and it's value to current advisor customers.

There seems to be agreement that access to audiences of advisors and individual investors represent value to institutions.

If attracting and aggregating individual investors is at the core of Morningstar's digital business strategy, what needs to be offered in order to attract the audiences that are valuable to institutions and advisors?

Is acquisition by a portal a potentially viable market/financial strategy? What role does/should Softbank play in answering these questions?

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Sapient Architects for the New Economy

Brand Strategy

MORNINGSTAR

Brand Attributes to Individual Investors	Brand Attributes to Advisors, Intermediaries, Institutions and Partners

• "Clarifying"
• "Empowering"
• "Independent"
• "Objective"
• "Unbiased"
• "Comprehensive"
  • "Best tools and information"
  • "Multi-market"
  • "Information depth and rigor"
	• "Authority"
	  • "Established, qualified community of individual investors"
	  • "Quality data"
	• "Objective"
	• "Unbiased"
	• "Independent"
	• "Comprehensive"
	• "Utility"
	  • "Best tools to advise" (e.g., Principia). Principia product has developed its own brand equity

• "Unifying"
  • Platform where individual investors, advisors and institutions can all connect"
	• "Unifying"
	  • "Platform where individual investors, advisors and institutions can all connect"

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Strategy Session Summary

Sapient Architects for the New Economy

Brand Strategy (continued)

MORNINGSTAR

Issues

- How does Morningstar continue to maintain its brand attributes?
  - To be perceived as "comprehensive," Morningstar needs to satisfy as many of the user needs as possible (For example: currently all asset classes are not represented)
  - The investment philosophy needs to be clearly represented to support the "clarifying" and "authority" attributes
  - Full disclosure to individual investors is necessary to preserve unbiased, objective, independent attributes as more transactions occur between potentially influential parties

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Brand Strategy (continued)

MORNINGSTAR

Issues

- As offerings expand, how will Morningstar stretch the brand to cover them?
  - If Morningstar is creating a "unifying" platform, how does the brand have to change to accommodate that?
  - If Morningstar is going to sell consumer market information, how does the brand have to change to accommodate that?
- How will the brand support future company goals?
  - A "marketplace"
  - A "digital" company

Strategy Session Summary

Organizational Strategy

MORNINGSTAR

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- Consolidate strategy and business unit responsibility at the "steering committee" level
- Consolidate "specialists" where business unit integration is necessary
  - Tools
  - Debate (editor-in-chief)
  - Advice
  - Access (advertising, business models)
- Execute strategy within business units with dedicated staff
  - Product Development
  - Product Management
  - Application Development
  - Content Management
  - Editorial (industry/market specific)
  - Product support

Functional specialists and dedicated business unit "executors" are accountable to steering committee members

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Organizational Strategy (continued)

MORNINGSTAR

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Steering Committee Functions "Strategy"

- Business Strategy
- Product Management
- Marketing Strategy
- Technology Strategy
- Content Strategy

Business Unit Functions "Implementation"

- Product Development
- Product Management
- Product Support
- Application Development
- Content Management
- Field Sales
- Editorial (industry/market specific)

Centralized Functions "Support"

- Data & analysis (generic investment info)
- Product and Site Design
- Technology infrastructure
- Marketing
- Product support
- Tele-sales
- Finance (w/ liaisons in business units)
- HR (w/ liaisons in business units)
- MIS
- Publishing
- Public Relations (outsourced / supplemented)
- Editorial (editor-in-chief)
- Legal

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Strategy Session Summary

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Organizational Strategy (continued)

MORNINGSTAR

Current Organizational Issues

- Within business units, decision-making authority does not align with accountability for performance
  - Business unit "owners" have financial performance responsibility, but may lack decision-making authority
  - Organizational authority between "staff" and "line" personnel is unclear
- "dot.com" business functions and resources (e.g., content, product engineering, etc.) are currently shared across all business units, but focusing primarily in retail
- An internally-focused executive (COO) is needed
- Don's and Tim's "visions" appear to be different

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Technology Strategy

MORNINGSTAR

Infrastructure

- The technology infrastructure will facilitate sharing of information across business units
- The web architecture will be modular and extensible to facilitate emerging market opportunities

Applications

- Emphasis on quality and time-to-market
- We will "buy" whenever possible, "build" if necessary

Data

- Data integrity is primary emphasis
- "Core" data (e.g., stock and fund information) is centrally managed, easily shared & accessed
- "Provided" data (from on-line partners) maintained & managed by partners (S&P model)

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Strategy Session Summary

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MORNINGSTAR

Technology Strategy (continued)

Organization & Management

Distributed into Business Units	Shared/Centralized	Outsourced
Product Development Product Support Application Development	Infrastructure Data Application Development - Standards - Quality Control MIS	Application Development

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