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# We are Morningstar Wealth

## Here's what this means (and doesn't mean) for financial advisers

### Morningstar Wealth

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Mark Sanderson  
Managing Director, UK and International

**The last 12 months has been an exciting period for Morningstar Wealth, writes Mark Sanderson, with some significant new developments.**

The Morningstar Investment Conference (MIC), held in London on 4 July, was the ideal opportunity to share with advisers some key developments across our business. First and foremost was the unveiling by Morningstar CEO Kunal Kapoor of the new UK brand, Morningstar Wealth.

### **A single access point for all things Morningstar**

Morningstar Wealth brings together capabilities from across the group to meet the specific needs of financial advisers, their businesses and the clients they serve.

### For Financial Advisers

The new business consists of Morningstar Wealth Platform, Morningstar Investment Management and our subscription services: Adviser Workstation, FinaMetrica and Wealthcraft. It's all based around our mission of empowering investor success. And we know great advice is key to doing that. So we're set on making it easier for advisers to support clients in achieving their goals.

We know that the adviser firms we work with, which are generally small businesses, need support from external partners in order to free up their time to focus on what they're best at – building relationships with their clients. Morningstar Wealth houses the client insights, adviser tools, investment, technology and software for this. Those solutions can be used either exclusively or integrated with the many other options used by advisers.

Advice firms will continue to work with the same people, it'll just be easier to connect with the right people and solutions from across Morningstar.

### **Built on adviser input**

Frequent, ongoing dialogue with a broad range of advice professionals means we stay connected to the challenges and opportunities they face. The changing advice landscape, increasing margin pressures, never-ending regulatory changes and near limitless choices across platforms, investments, tools and software (but with a serious lack of integration) are common themes.

Get past these and the path to efficient processes and more time with clients looks much clearer. We've listened and have effectively built our business around adviser businesses.

An adviser's workflow mirrors the investor journey and that's how we think about our processes and capabilities, not as standalone features which exist in isolation. Our broad but cohesive offering actively supports a positive experience for advisers and their clients.

Adviser input is the cornerstone of everything we do, and we've created robust feedback loops to make sure we continue to hear and understand adviser priorities and concerns as we work to further develop our products and services.

Every provider will claim to be client focused but our continual discovery work with advisers puts Morningstar Wealth in a unique position. Over the last six months our team has interviewed 200 advice professionals, including paraplanners, advisers and business owners, from over 50 firms. We're grateful for the time they've taken to share their experience and opinions with us.

### **Introducing Blended Portfolios**

One of the clear messages from these discussions was that advisers don't like having to 'pick a side' when it comes to active versus passive investments. The fact is that both approaches can have benefits for clients and advisers are increasingly looking to use them in combination.

Morningstar Wealth's first launch answers this need for flexibility and choice. Morningstar Investment Management Europe's new range of Blended Portfolios allows investors to access the best of both the passive and active investing worlds in a single risk-rated multi-asset fund.

The funds use passive investments where possible to keep the costs down, with active positions employed to take advantage of more micro-opportunities to add value as and when they arise and fit within the fee structure.

The five portfolios range from Cautious, with up to 30% equities and a three-year minimum time horizon, to Adventurous, which is 85 to 100% equities with a time horizon of at least 10 years. While newly launched they leverage the track record of the existing Governed Portfolios which were launched in 2016.

Morningstar has a tried and tested investment philosophy based on decades of experience and collective expertise: value investing using underappreciated investments at attractive prices while avoiding assets we think are overvalued.

### **Looking to the future**

Morningstar Wealth brings together the best of Morningstar's capabilities to meet the specific needs of advisers, their businesses and their clients. This frees them up to focus on helping their clients achieve their goals and delivering exceptional client experiences thanks to differentiated global insights, world class investment strategies and transformational technologies.

The whole Morningstar Wealth team is looking forward to what the next year brings as we continue to work with advisers to help them achieve good outcomes for their clients. ■■

**Mark Sanderson is Managing Director of Morningstar Wealth**

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