



Client Success Story **Isio**

## From Portfolio Construction to Manager Research: Isio and Direct

“When it comes to the breadth and depth of data, from sub-asset classes and peer groups to screening global equities, Morningstar Direct is second to none.”

### Daniel Nilsson

Portfolio Manager

### Company

Isio

### Application used

Morningstar Direct

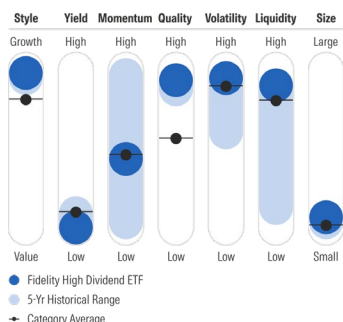
### Use cases

Investment Due Diligence  
Investment Management  
Manager Selection & Monitoring  
Portfolio Construction

### Industry

Financial Services

### Factor Profile Visual



Isio is a modern advisory firm with four key areas of focus: pensions, investments, employee benefits, and wealth management. Focusing on the UK market, they have over £300 billion in AUMA, advise one in three FTSE 100 firms, and circa £2 billion in AUM across private capital clients.

For Portfolio Manager Daniel Nilsson, Isio's diverse offering means no two days are the same.

“I have dual responsibilities,” Nilsson says. “As part of the equity manager research team, we’re responsible for manager and selection across private and public equities. Our client base is incredibly diverse, from private capital clients like endowments, foundations, and non-profits to Local Government Pension Schemes and defined contribution schemes.

I also sit within our portfolio management team, where we’ve launched our own discretionary managed portfolio service proposition this year, and these portfolios are available across the most well-known platforms in the UK, from Aberdeen to Aviva.

We have seven multi-asset portfolios ranging from cautious to adventurous, so I focus on setting the asset allocation and conducting manager research and selection across global small caps, emerging markets, global developed alternatives, and more.”

To balance all these priorities, Nilsson and team turned to Morningstar Direct.

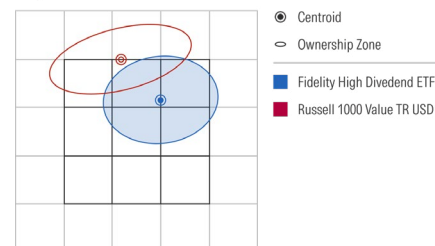
### Screening For Style

“I use almost every available tool in Direct,” Nilsson says. “Our entire team use it daily, for a variety of functions.

I use it as part of my screening process for manager research. Recently, we analysed emerging market funds for a large client with a big mandate. We explored category averages, exported the Global Emerging Markets peer group, and applied our quantitative screening criteria to the fund universe, assessing metrics like fees, performance history, and AUM.

Once we’ve quantitatively identified funds, we enrich our analysis with qualitative insights. We use the Morningstar Style Box and Factor Profile in Direct to understand the fund better, from its risk profile to the managers, and whether the fund is small, mid, or large-cap. We want to make sure the managers are playing their part as we construct and blend portfolios.

### Style Box



“Morningstar Direct is our first port of call in the manager research process. We start with the quantitative fund data and then strengthen our due diligence with qualitative insights based on easy-to-understand analytics.”

Another useful tool is the style drift analysis, where you can see how strategies have changed over time. Whether they move up or down the market cap spectrum, or evolve across investment style, so value, blend, or growth. It all comes together to inform our understanding of a fund.”

## Portfolio Managers: A History

“The Portfolio Manager Handbook in Direct is another tool we use,” Nilsson says.

“As part of our manager due diligence, we can get a holistic view of a manager’s career and track record across any strategy they’ve run in the database. It’s helpful when we have portfolio managers launch a boutique or join another firm. We can go into Direct and get their history.”

“The Portfolio Manager Handbook in Direct is crucial to our due diligence. With it, we get in-depth insights into a manager’s track record, from the strategies they’ve run, alpha excess returns, and how they’ve compared to their peers.”

## Portfolio Management

“We use Direct’s Portfolio Management tool daily,” Nilsson says. “When we’re creating our clients’ equity allocations, we create identical portfolios to provide style analysis, blend, and portfolio aggregation.

When they ask about their exposures, we can walk them through their geographic, sector, and even stock-level exposures.

All our clients, but especially our LGPS and DC clients, find this invaluable.”

“In a volatile market, clients want clear information about their exposures and concentration levels, like the Magnificent Seven. With Direct, we can build their portfolios and guide them through geographic and sector-specific risks and rebalance accordingly.”

## Presentation Studio

“Of all the capabilities of Direct, I find Presentation Studio the most valuable,” Nilsson says.

“I’ve used it for over a decade, and now that we have our own MPS offering, we can analyse the performance of our distinct peers, who we’ve identified as most similar to us in approach and asset allocation.

I’ve already built out all the templates in Presentation Studio, so we can adjust and recalculate instantly, like the one, three, and five-year performance of our peer groups versus our portfolios.

“I’ve created more than 60 report templates for over 20 clients in Presentation Studio. It saves us so much time when it comes to monthly performance reporting. But most importantly, my templates strike the balance of being consistent but customisable.”

What I love about Presentation Studio is that you can generate any time period you want. It’s incredibly customisable, and that level of functionality and flexibility keeps us using Direct.”

## New Developments

Great products are always innovating, and great users are always learning.

“I’ve recently downloaded the Morningstar API with the Excel add-in,” Nilsson says. “I’m learning to use it, and so far, loving the experience.

Using SEC IDs in portfolios, I can generate all the returns, going back through the portfolio’s history, all at the click of a button. I then download all the portfolio holdings straight to Excel for further analysis, like calculations, formatting, or charting—it’s very convenient.

A few months ago, I moved to the new browser-based Direct experience, and it’s been a really smooth transition. It still has all the functionality I expect from Direct, but it’s very user-friendly. That’s useful for my team, who are using Direct more and more. I’m looking forward to seeing how Direct will continue to evolve.”

## **See Morningstar Direct for Yourself**

Talk to a specialist about growing your  
business with [Morningstar Direct](#).

Daniel Nilsson has not received any cash or non-cash  
compensation from Morningstar, directly or indirectly,  
in exchange for this client success story.