



BYALLACCOUNTS® • WHITE PAPER

# Make Aggregated Data Your Most Valuable Asset

## Four Factors of Superior Aggregation for Investment Use Cases

The financial industry is at the cusp of the creating an open-data ecosystem for finance—one where banks and fintech companies work together to bring innovative, personalized financial services to the market. As data intermediaries between banks, fintechs, and consumers, aggregators play a critical role in providing connections and movement of data throughout the newly established financial ecosystem.

## But Not All Data Aggregation is Created Equal

The way most financial data is aggregated is not well suited for investment use cases. That's because most financial aggregation vendors are generalists that designed their aggregation process to accommodate as many different financial management use cases as possible.

In other words, generalist aggregators are adept at things like categorizing a particular credit card transaction as a grocery store purchase, but they lack the sophistication needed to enrich investment transactions to a quality suitable for reconciliation and performance reporting.

If you're in the investment industry, this is obviously problematic.

What investment professionals and their clients need is data that's retrieved, enriched, and formatted for investment use cases by investment specialists according to a process informed by a deep knowledge of industry-specific use cases. Only then does aggregated data truly help you grow your business, make more insightful decisions, and create extraordinary digital-first experiences. And only then can data serve as a single source of truth across all of your systems.

## Four Factors of Superior Data Aggregation

Enter ByAllAccounts®, the only data aggregator with over 20 years of experience exclusively focused on the needs of investors, advisors, and the platforms that serve them.

ByAllAccounts serves more than 6,000 advisory firms, 70-plus redistribution partners, and over 16,000 financial advisors, amounting to greater than \$1 trillion in investor assets aggregated daily.

In fact, one partner delivering cloud portfolio accounting and performance reporting services saw their time to reconcile drop by 47% when switching to ByAllAccounts from a competitor—and that's just the beginning.

The benefits of partnering with a specialist like ByAllAccounts are significant. Depending on the exact investment use case, we provide up to 92% higher quality investment data—giving you a truly holistic view of investors' portfolios. In turn, we help you deliver better customer outcomes, uncover countless operational efficiencies, and extract optimal value from the data you're accessing.

Of course, it's not only the fact that we're investment specialists; it's how we apply our investment industry expertise to our aggregation process that makes the difference for our clients.

### Here's how we do it:

1. Deepest data sourcing for investment use cases
2. Highest-quality data leveraging our proprietary normalization and enrichment process
3. Seamless access to the entire ecosystem of Morningstar solutions
4. Longstanding commitment to the investment industry

**Let's take a look at how these factors work together to deliver superior data aggregation.**



## Factor 1

### Deepest Data Sourcing for Investment Use Cases

Like all financial data aggregators, ByAllAccounts retrieves data from the full gamut of financial sources, including banks, credit card providers, lenders, investment firms, and insurance companies, in order to present investors' full financial picture and advisors' full book of business.. At last count, we have connections to more than 15,000 data sources.

What sets us apart is our differentiated long tail. The list of institutions we have built connections to is based on 20+ years of requests coming from investment professionals, resulting in a higher percentage of direct custodial feeds than our competitors.

#### Our holistic approach to investment data sourcing includes:

- All major investment custodians
- Banks, brokerages, fund companies, insurance companies, trusts, clearing houses, stock ownership plans, venture capital firms, digital assets, 529s, and advisor-facing (managed account) sources
- Complex asset types such as annuities, REITs, crypto assets, and alternatives
- Industry-leading support of 401(k) record keeper sources
- New connections for customers built upon request

#### Not Just More Relevant Sources, Also More Data Attributes

It's not enough to connect to sites, it's equally as important to pull the right data elements from said sites. At ByAllAccounts, we understand that many of our customers require specific data elements that are mission critical to their application. That's why we take a format-agnostic approach to sourcing that prioritizes data completeness above all else. Our aggregation process provides the best quality, most intact data, regardless of feed type, by combining data from multiple sources to

deliver an exceptionally wide breadth of data attributes that support a variety of investment use cases.

#### Automation with Sophistication

Meanwhile, we automate data-gathering as much as possible. This enables us to avoid manual checks and to proactively monitor our data sources to address any issues quickly and effectively. In cases where a feed is not available, we employ a sophisticated AI driven, web crawling approach, making us much more resilient to site changes than aggregators that use recorded templates for screen scraping. In addition, we are committed to using open banking APIs—the most secure and transparent method of sourcing data.

#### Proactive About Inactivity

For accounts that fail to aggregate due to connection issues, we retroactively gather any missed data from the inactive period once the connection is restored. If an account fails due to multi-factor authentication or similar issues, we notify the user and pause any additional attempts to connect until the user has taken action, so we don't risk locking access to the account.



## Factor 2

### Highest-Quality Data

Most data is aggregated from sources meant for viewing—not investment analysis, reporting, or planning—and most sources have different ways of formatting their data to boot. So, before data can be combined and put to use, it must be normalized (i.e., standardized) and enriched.

All aggregation vendors know this and make some attempt to put data in a structured database. But applying structure to the data isn't enough. There are inevitable holes and gaps that go unfilled without manual intervention, raising your costs and the potential for human error in the process.

At ByAllAccounts, we go a step further to interpret the data by filling the gaps through a proprietary enrichment process informed by more than 20-plus years of investment learnings. The result is data that is optimally actionable for investment use cases.

### **Exclusive Tools, Investment-Specific Processes**

What makes our enrichment process unique is the combination of proprietary tools we apply to the task, including AI, natural language recognition, predictive analytics, and custom algorithms. We also apply specific enrichment processes to each type of investment vehicle to get the best results. For example, if you need settlement-based data, that's exactly what you'll get from ByAllAccounts. Other aggregators may only give you trade-based data, which means your staff has to back out unsettled transactions by hand or attempt their own automation.

In practice, our singular, automated mapping process can make all the difference. An analysis of one major data source showed that it only had identifiers for 70% of holdings and transactions, while ByAllAccounts had identifiers for up to 99% of the same data set.

### **The Morningstar Advantage**

As part of the Morningstar family, ByAllAccounts is also uniquely situated among aggregators to perform best-in-class security mapping. Our exclusive access to the Morningstar Security Master allows us to map millions of positions and transactions to their accurate names, symbols, and share class with market-leading precision, eliminating inconsistencies and saving your staff from the burden of manual interventions.

### **Tailored Mapping Rules**

The final step of the process is seamless ingestion of ByAllAccounts data into your systems and applications. ByAllAccounts allows you to easily apply your own rules for how you want specific data mapped—without the need for costly custom development. Our service provides you the ability to customize data outputs for your end system using self-serve, built-in tooling—saving you the time and expense of a custom development project. This adaptable enrichment capability is just another example of how we go above and beyond to meet your unique data handling requirements.

With ByAllAccounts, all data outputs are driven by investment use cases. Everything we do is informed by what advisors and investors need.

### **Interoperable Data for More Use Cases**

Because of the high quality of our data output, you can use the same data set across use cases, from the complex (e.g., trade reconciliation and portfolio accounting) to the common (e.g., financial wellness and portfolio analysis). The benefit of using the same data source across a variety of systems and applications is a unified product experience, from the advisor to the investor, eliminating the risk of having different values in different places.



### Factor 3

#### Seamless Access to the Ecosystem of Morningstar Solutions

Morningstar is uniquely positioned to anticipate, inform, and respond to evolving market trends. An added bonus of using ByAllAccounts data aggregation is that we append data with internal Morningstar IDs to make integration with other Morningstar products and services easy, giving you even more opportunities for advanced investment industry data and analysis.

#### Some examples are:

**Morningstar® Enterprise Components** – configurable, enterprise software tools for research, portfolio analysis, and retirement plan management for advisors and investors

**Financial Planning and Wellness Solutions** – web-based financial planning and personal financial wellness components for investors

**Morningstar Risk Ecosystem** – psychometric risk tolerance assessments, profiling, and analysis

#### You'll also have access to a range of expert teams at Morningstar, including:

**Behavioral Science** – offering in-depth research on the needs, preferences, limitations and obstacles of investors and advisors, and guidance on how those insights can apply to your products and processes

**Design** – assistance creating products that are intelligently designed and visually pleasing and that display information in a meaningful way

**Investment Research** – delivering continuous insights from Morningstar's 150+ independent analysts

**Portfolio Accounting** – with specialized experience in the complex use case of the wealth management industry



### Factor 4

#### Longstanding Commitment to the Investment Industry

Business models change, and company priorities shift. When selecting an aggregation vendor, it's important to find a partner that is not only aligned with your priorities today but also in the long-term.

Morningstar and ByAllAccounts have been focused on investor success for decades—and we will remain focused on investor success for decades to come. As we move forward, we're excited to continue with a rapid pace of innovation to meet the demand for even deeper insights for you and your customers.

#### Let Us Show You The Difference

See for yourself how ByAllAccounts data is more accurate, more useful, and more relevant to your investment use cases—so you can save time, save money, improve your relationship with investors and advisors, and watch your business grow.

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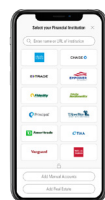
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