

MORNINGSTAR TO PURCHASE tRx PORTFOLIO REBALANCING TOOL

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Chicago-based Morningstar will acquire Total Rebalance Expert (tRx), an automated portfolio rebalancing tool for financial advisors, from San Diego-based FNA, LLC.

The firms did not release the terms of the deal, which Morningstar expects to close in November. **ECHELON Partners** advised on the deal on behalf of tRx.

Since FNA CEO Sheryl Rowling developed tRx in 2008, more than 500 financial advisors from 175 firms have used tRx to rebalance \$20 billion in client assets. In 2012, Morningstar integrated the tool into its Morningstar Office advisory platform.

“We’re excited to acquire tRx because it adds a key capability—tax-aware rebalancing—to our suite of offerings,” said Tricia Rothschild, head of global advisor solutions for Morningstar, in a statement. “With tRx, we’ll integrate an increasingly important part of the advisor workflow: seamless and automated portfolio rebalancing.”

As part of the deal, Rowling, who also is principal of independent advisory firm Rowling and Associates, will continue to run FNA LLC and also work part time for Morningstar, which will now offer tRx as both part of its advisor offerings and as a standalone platform.

“As we began to work together, both firms liked what we saw and realized that it made sense for Morningstar to acquire tRx,” Rowling said in a statement. “Morningstar has the resources to take tRx to the next level by combining it with the company’s proprietary research and data. Today, with tRx, advisors can implement trading decisions informed by taxes and fees. In the future, Morningstar plans to add other important metrics, such as its investment valuation, risk factors, and real-time pricing, to the rebalancing capability.”

In its statement on Wednesday, Morningstar said that tRx would continue to be available for integration into other companies’ platforms.