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News Release

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FOR IMMEDIATE RELEASE

Morningstar Announces Findings from Third Global Fund Investor Experience Report; UK Earned a B- Grade

LONDON, May 15, 2013—Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today released its Global Fund Investor Experience report, which assesses the experiences of mutual fund investors in 24 countries across North America, Europe, Asia, and Africa. The UK earned a B- Grade in the 2013 report.

Morningstar's evaluation of investor-friendly practices in fund markets worldwide identified the United States as the best market for fund investors based on criteria such as investor protection, transparency, fees, taxation, and investment distribution, while South Africa scored the worst. This year's report also includes first-time reviews of fund investor experiences in Korea and Denmark.

"We launched the first Global Fund Investor Experience report in 2009 to examine the treatment of mutual fund shareholders in 16 countries with the goal of advancing a dialogue about best practices worldwide. Since that time we've had numerous conversations with regulators and investment companies in multiple countries about their existing policies and ways to improve," John Rekenthaler, vice president of research for Morningstar, said. "Working with our analysts around the world, we expanded our survey to 24 countries this year. We hope our survey findings will help investment companies, distributors, and regulatory bodies around the globe continue to focus on improving the environment for investors."

Morningstar researchers evaluated countries in four categories: Regulation and Taxation, Disclosure, Fees and Expenses, and Sales and Media. Morningstar weighted the questions and answers to give greater importance to factual, empirical answers as well as the high-priority issues of fees, taxes, and transparency. Morningstar assigned countries a letter grade for each category and then added the category scores to produce an overall country grade. The report's authors gathered information from available public data and from Morningstar analysts. Below are the overall country grades, from highest to lowest scores and then in alphabetical order:

United States: A
Korea: B+
Netherlands: B
Singapore: B
Taiwan: B
Thailand: B
China: B-
Denmark: B-
Germany: B-
India: B-
Norway: B-
Spain: B-
Sweden: B-
Switzerland: B-
United Kingdom: B-
Australia: C+
Belgium: C+
Canada: C+

France: C+
Italy: C+
Japan: C
Hong Kong: C-
New Zealand: C-
South Africa: D

The UK earned a grade of B- in 2013, which is a slight improvement on its 2011 grade of C+. The UK received high marks for the dominance of open-architecture distribution in the market, giving most fund investors a wide array of choice. It was also noted that the retail distribution review should ensure that investors have more choice across different vehicle types. The UK's tax regime for fund investors, specifically with respect to capital gains, was also cited as being better than average. Conversely, the move from the simplified prospectus to the KIID detracted from the UK's disclosure grade. The Morningstar report found that fees remained a relative weak spot for UK funds, but noted that this is expected to improve in the wake of the Retail Distribution Review.

Among the key findings of the study:

- Bans on adviser commissions are spreading around the world. In the UK, the Retail Distribution Review has already brought such a ban into effect, while similar moves are underway in Australia and the Netherlands.
- While the U.S. and European fund markets are roughly similar in size, U.S. investors pay significantly lower fees than European investors.
- New Zealand showed the largest improvement from the 2011 study rising to a C- from a D- because of positive regulatory changes and an encouraging expansion of disclosure requirements.
- Fund companies in most countries continue to treat the names of portfolio managers as trade secrets, leaving investors no way to determine who is responsible for a fund's success or failure.
- Australia and New Zealand do not require funds to publicly disclose full portfolio holdings, while France, South Africa, Korea, and the UK only disclose holdings to current owners.

To read Morningstar's complete Global Investor Experience report, visit http://global.morningstar.com/fundinvestorexperience2013

About Morningstar, Inc.

Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The company offers an extensive line of products and services for individuals, financial advisors, and institutions. Morningstar provides data on approximately 422,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 9 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. Morningstar also offers investment management services through its registered investment advisor subsidiaries and has approximately $157 billion in assets under advisement and management as of March 31, 2013. The company has operations in 27 countries.

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