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FOR IMMEDIATE RELEASE

Morningstar Announces Findings from Fourth Global Fund Investor Experience Report; Belgium Scores C Grade

BRUSSELS, 9 June 2015—Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today released its biannual Global Fund Investor Experience report, which assesses the experiences of mutual fund investors in 25 countries across North America, Europe, Asia, and Africa. Belgium scored a grade of C in the report. Morningstar researchers identified Korea and the United States as the most investor-friendly markets and China the least investor-friendly market.

Morningstar evaluated countries in four categories that are weighted to calculate the overall grade: Regulation and Taxation, Disclosure, Fees and Expenses, and Sales and Media. Morningstar researchers generally favor active fund regulation; a low investor tax burden; more disclosure; lower fund fees; a varied fund distribution system; and local news media that helps to educate investors about their choices. Morningstar assigned countries a letter grade for each of the four categories and used the underlying scores to produce an overall country grade. The analysis was based on information from publicly available sources, Morningstar data, and Morningstar experts located in the company's offices around the world.

San Lie, Head of Manager Research for Morningstar in Belgium, said, "Our mission at Morningstar is to help investors reach their financial goals. The goal of our Global Fund Investor Experience report is to improve the investor experience by examining the treatment of mutual fund shareholders in various countries to spur dialogue about best practices. Every market we examined has areas for improvement, and we hope our research about the experience of fund investors worldwide will help serve as a catalyst for positive change."

Highlights of Belgium's grade include:

- Belgium's overall grade is a C, which is considered average in the report. In 2013, Belgium received an overall C+ grade. Investors in Belgium face relatively low taxes. However, voluntary portfolio holdings disclosure is an area where the Belgian fund industry could improve fund investors' experience when compared with other markets.
- Belgium scores slightly above average in the area of taxation. Belgium's taxes on dividends and income are higher than average when compared with other markets, but they are offset by an exemption on taxes for capital gains on shares held for more than one year.
- Belgium is in line with global averages on required disclosure, but investors would be better served by more-frequent voluntary portfolio disclosures so that investors can evaluate fund managers' specific decisions. Another possible area for improvement in Belgium is in the disclosure of fund costs.
- Belgium received a C in the Fees and Expenses category because of the slightly above-average costs of locally available-for-sale equity and money market funds. There is a much larger investment universe of funds available for sale in Belgium because of Europe's single market for investment products, but pan-European products tend to be more costly than local funds. Morningstar has observed that most advisors in Belgium are compensated through asset-based commissions, either up front or through ongoing charges. It remains nearly impossible for investors in Belgium to locate and purchase funds that do not have embedded advice fees in a trailing or up-front commission, and is a key area for possible improvement.
- Belgium receives a B grade in the category of Sales and Media, largely because of the closed architecture of the Belgian market. Banks and insurance companies dominate fund sales, and these companies tend to offer proprietary funds. The grade benefits from high press freedom as well as the protections of the Markets in Financial Instruments Directive.

The overall country grades for 2015 are below, from highest to lowest and then in alphabetical order:

Korea: A
United States: A
The Netherlands: A-
Taiwan: A-
United Kingdom: B+
Sweden: B

Australia: B-

Denmark: B-

Finland: B-

Norway: B-

Switzerland: B-

Canada: C+

Germany: C+

India: C+

New Zealand: C+

Thailand: C+

Belgium: C

France: C

Hong Kong: C

Singapore: C

South Africa: C

Spain: C

Italy: C-

Japan: C-

*China: D+

New this year, Morningstar incorporated The World Press Freedom Index in its assessment of media for the Sales and Media category. Reporters Without Borders, an international nonprofit organization, publishes the index annually to measure the freedom of information in 180 countries. Morningstar also added a quantitative analysis about the frequency of portfolio reporting in the Disclosure category, and included a first-time review of the fund investor experience in Finland.

Additional key findings of the 2015 report include:

- Korea received an A this year because of its improved sales practices, up from a B+ in 2013, and is the only other country aside from the United States to achieve the top grade.
- The United States garnered the highest score for the fourth time with a top grade of A. While the United States boasts relatively low expenses and strong disclosure, its Sales and Media category grade is average.

- The Netherlands rose to an A- grade in 2015, compared with a B in 2013, improving in the areas of Fees and Expenses and Sales and Media assisted by a newly implemented ban on advisor commissions.
- Finland received a grade of B-, reflecting consistent practices that have developed from pan-European regulations.
- China received the lowest grade of a D+ because of high fees, limitations on overseas investing, and restrictions on foreign-domiciled funds.*
- Since the 2013 study, regulators in New Zealand introduced semiannual portfolio holdings disclosure, while Thailand plans to move from semiannual to quarterly disclosure. Australia is now the only market that does not have portfolio holdings disclosure requirements. The global fund industry is generally ahead of regulatory requirements, with monthly holdings releases becoming common.
- Nearly every market has enacted new or updated regulations over the past two years, which shows active engagement by regulators in the areas Morningstar evaluates in the report.
- In the United States, Australia, South Africa, and The Netherlands, ongoing fund fees are typically unbundled, which decreases reported fund fees. However, if investors are paying for both advice and an administration platform, the total cost of owning a fund could be an additional 1.0 to 1.5 percent.
- In 22 of the 25 countries evaluated, banks and insurance companies are named as one of the dominant fund sales channels. The next most common channel, cited in seven countries, is the independent advisor.

To read Morningstar's complete Global Fund Investor Experience report, please visit http://global.morningstar.com/GFIE2015PressKit. Morningstar published its first Global Fund Investor Experience report in 2009.

Morningstar has more than 100 manager research analysts worldwide who cover approximately 4,100 funds. The company provides data on approximately 186,500 open-end mutual funds, 9,800 closed-end funds, and 11,300 exchange-traded product listings as of March 31, 2015.

*Editor's Note: In its 2013 report, Morningstar inadvertently used incorrect expense data for Chinese funds. Morningstar corrected the data in the 2015 report, which lowered China's grade for the Fees and Expenses category and was the primary factor in the drop of China's overall grade from B- to D+.

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 individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar provides data on approximately 500,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 15 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 investment advisory subsidiaries and had more than U.S. $179 billion in assets under advisement and management as of March 31, 2015. The company has operations in 27 countries.

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