News Release

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FOR IMMEDIATE RELEASE

Vanguard Investments Australia Wins Morningstar Australian Fund Manager of the Year Award 2015

SYDNEY, 2 March 2015 – Morningstar Australasia Pty Limited, a subsidiary of Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today announced the winners of the Australian Morningstar Awards 2015. **Vanguard Investments Australia** received the top award as Morningstar's Australian Fund Manager of the Year.

"The winners of the Australian Morningstar Awards have all shown themselves to be first-class stewards of investor capital. The quality of their people, process, parent, price, and performance is a testament to their commitment to investors," Tom Whitelaw, Morningstar Australasia Director of Manager Research Ratings, said.

The winners of the Australian Morningstar Awards 2015 are:

Fund Manager of the Year Award	Winner	Finalists
Australian Fund Manager of the Year	Vanguard Investments Australia	Investors Mutual, AMP Capital Investors
Multi-Sector Category, Australia	Vanguard Investments Australia	UBS Global Asset Management, BlackRock
Fixed Interest Category, Australia	PIMCO/Equity Trustees	Vanguard Investments Australia, Perpetual Investments
Domestic Equities Category, Australia	Investors Mutual	Hyperion Asset Management, Fidelity Worldwide Investment
Domestic Equities – Small Caps Category, Australia	SGH ICE/Equity Trustees	Pengana Capital, Investors Mutual
International Equities Category, Australia	Arrowstreet Capital	Generation Investment Management, Independent Franchise Partners
Listed Property Category, Australia	Cromwell Phoenix Property Securities	Vanguard Investments Australia, UBS/CBRE Clarion

Undiscovered Manager Category, Australia	UBS Tactical Beta	Franklin Templeton Global Aggregate Bond, Neuberger Berman Absolute Return Multi Strategy

Australian Fund Manager of the Year 2015 – Vanguard Investments Australia

Vanguard earned nominations in four award categories in a year when active fund managers struggled to outperform the market in many asset classes. The firm's disciplined approach, low costs, and low portfolio turnover continue to deliver enviable outcomes for investors, and Vanguard also deserves credit for its unceasing efforts to raise investor education standards in both Australia and around the world. All of this made Vanguard the examplary candidate for the overall Fund Manager of the Year title.

Fund Manager of the Year: Multi-Sector Category, Australia 2015 – Vanguard Investments Australia

Vanguard's balanced funds continue to deliver peer-beating results, thanks to its low costs and disciplined approach to asset allocation and investing, which minimises turnover, trading, and tax imposts. This all paid off handsomely in 2014, a year when active fund managers struggled to outperform indices in many asset classes. Vanguard's robustly constructed, well-executed, low-cost indexing strategy is an outstanding approach to multi-asset class investing.

Fund Manager of the Year: Fixed Interest Category, Australia 2015 – PIMCO/Equity Trustees

PIMCO/Equity Trustees continues to produce excellent results across a range of strategies, despite much-publicised distractions from the departure of renowned investment personnel. The firm's research remains peer-leading, with the team often developing ideas that can take time to germinate but that produce outstanding returns over an extended period. PIMCO/Equity Trustees is the deserving winner of Morningstar's fixed interest award in a year when many competitors were caught unawares by interest rate movements.

Fund Manager of the Year: Domestic Equities Category, Australia 2015 – Investors Mutual

Anton Tagliaferro, Hugh Giddy, and their colleagues' shrewd stock selection, disciplined adherence to process, and low portfolio turnover all enable Investors Mutual to continue to deliver great results for investors in its Australian, Industrial, and Concentrated strategies. Investors Mutual remains an impressive solution for investors looking for proven excellence in Australian shares investing.

Fund Manager of the Year: Domestic Equities – Small Caps Category, Australia 2015 – SGH ICE/Equity Trustees

Having won the Undiscovered Manager award in 2014, Callum Burns and SGH ICE have gone from strength to strength. Burns' creative approach to small-cap investing involves scouring the market for companies with traits of a quality franchise, entrenched market positions, assets hard to replicate, and pricing power ability. SGH ICE has produced consistently strong absolute and relative results for a number of years.

Fund Manager of the Year: International Equities Category, Australia 2015 – Arrowstreet Capital

Arrowstreet warrants acclaim because of its intuitive, sophisticated quantitative process overseen by its impressive team of expert practitioners led by Peter Rathjens, Bruce Clarke, and John Campbell. One of the most consistent performers, and having enjoyed another strong showing in 2014, Arrowstreet's desirable features make it a convincing vehicle for rewarding investors in international shares.

Fund Manager of the Year: Listed Property Category, Australia 2015 – Cromwell Phoenix Property Securities

This is the second consecutive year that Stuart Cartledge and the team at Cromwell Phoenix have won this award. The firm has shown that it's possible within the index-aware world of Australian listed property to offer investors a genuinely differentiated proposition. The intuitive stock views, robust analysis, adeptly high-conviction portfolio construction, and healthy consequent performance all combine to make Cromwell Phoenix an outstanding vehicle for listed property investment.

Fund Manager of the Year: Undiscovered Manager Category, Australia 2015 – UBS Tactical Beta

The strategy provides a sophisticated, skilful blend of passive and active management. Using low-cost exchange-traded funds for asset class exposures helps constrain costs, while active positions benefit from thorough, effective tactical asset allocation blending the adroit insights of the 100-person investment strategist team and the local investment committee's sharp local perspectives. UBS Tactical Beta's superior qualities mean that it deserves greater attention from Australian investors and financial advisers.

Methodology

Only fund managers with managed funds available for sale in Australia qualify for inclusion in the Australian Morningstar Awards, and Morningstar only considers their retail and wholesale unit trusts, superannuation funds, and pension funds with Morningstar Analyst Ratings™.

Morningstar determines the winners based on a combination of qualitative research by Morningstar's manager research analysts; risk-adjusted returns over medium- to long-term periods; and performance in the 2014 calendar year. Morningstar's manager research analysts assess the track record for a fund based on Morningstar's Risk-Adjusted Return measure over the one-, three-, and five-year periods. Funds with less than a three-year track record are not included. The objective is to screen for fund managers that have provided consistently strong returns, and not just reward those with the most impressive one-year return but have otherwise struggled to impress.

Morningstar's manager research analysts then conduct a qualitative assessment of the fund managers under consideration. This incorporates the five pillars of the Morningstar Analyst Rating™ – people, process, parent, price, and performance. The qualitative assessment also captures practical issues that quantitative screens cannot. After assessing the quantitative and qualitative outcomes for each fund manager, Morningstar's analysts then debate and decide on the fund managers they believe are worthy winners and finalists across the various categories. If a verdict cannot be reached by a unanimous decision, then each analyst casts a vote to decide.

Determining the Morningstar Australian Fund Manager of the Year 2015

To receive the overall Morningstar Australian Fund Manager of the Year award, a fund manager must have offered funds in multiple award categories or have delivered an outstanding outcome for investors. Fund managers were assessed not only on whether they were a finalist in more than one category, but on products that had peer-beating returns but did not obtain a top three position. Morningstar's manager research analysts present the Morningstar Australian Fund Manager of the Year 2015 award to the fund manager that had strong returns across multiple categories and was deemed a good steward of investors' capital. The Morningstar Australian Fund Manager of the Year 2015 therefore represents the Australian fund manager that, in Morningstar's opinion, has achieved the highest level of funds management excellence.

Determining the Undiscovered Manager Category Winner

Finalists in this category are at the discretion of Morningstar's manager research analysts. The Undiscovered Manager category winner is the fund manager that, while possessing strong investment management capabilities, has not yet achieved wide market recognition, or that Morningstar's analysts believe has the ability and opportunity to build a successful long-term track record through its performance and investment management capabilities. The funds eligible for this award will not necessarily have a three-year track record. Finalists are determined from an assessment of their investment capabilities and quantitative data.

For more information about Morningstar's other global fund awards, visit http://awards.morningstar.com.

About Morningstar Australasia Pty Limited and Morningstar, Inc.

Morningstar Australasia Pty Limited is a subsidiary of Morningstar, Inc., a leading provider of independent investment research in North America, Europe, Australasia, and Asia. The company offers an extensive line of products and services for individual investors, financial advisers, 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 14 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 approximately US$170.0 billion in assets under advisement and management at 31 December 2014. The company has operations in 27 countries.

Analyst Ratings are subjective in nature and should not be used as the sole basis for investment decisions. Analyst Ratings are based on Morningstar's current expectations about future events and therefore involve unknown risks and uncertainties that may cause Morningstar's expectations not to occur or to differ significantly from what was expected. Morningstar does not represent its Analyst Ratings to be guarantees nor should they be viewed as an assessment of a fund's or the fund's underlying securities' creditworthiness. The references above should not be considered a solicitation by Morningstar to buy securities.