



Awards™

News Release

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FOR IMMEDIATE RELEASE

Vanguard Investments Australia Wins Morningstar Australian Fund Manager of the Year Award 2017

SYDNEY, 6 March 2017 – 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 2017. **Vanguard Investments Australia** received the top award as Morningstar's Australian Fund Manager of the Year.

“The winners in the Morningstar Awards show the quality and breadth of the investment options available to Australian investors,” Chris Douglas, Morningstar Australasia’s Director of Manager Research Ratings, Asia-Pacific, said. “Winning an award is testament to the fund manager’s first-class stewardship of their investors’ capital, and their ability to offer a consistently strongly-performing investment that enables investors to work towards reaching their financial goals.”

The winners of the Australian Morningstar Awards 2017 are:

Award	Winner	Finalists
Australian Fund Manager of the Year	Vanguard Investments Australia	Colonial First State, Schroders
Multisector Category, Australia	Schroders	Colonial First State FirstChoice Investments, Vanguard Investments Australia
Fixed Interest Category, Australia	PIMCO Australia	Bentham Asset Management, Legg Mason Brandywine Global
Domestic Equities – Large Caps Category, Australia	Schroders	Antares Capital, Nikko Asset Management
Domestic Equities – Small Caps Category, Australia	Investors Mutual	Allan Gray, Colonial First State – Core

International Equities Category, Australia	Generation Investment Management	Dimensional Fund Advisors Australia, Vanguard Investments Australia
Property & Infrastructure Category, Australia	Zurich/Renaissance Property Securities	Colonial First State Global Listed Infrastructure, Resolution Capital Global Property
Undiscovered Manager Category, Australia	BMO Pyrford Global Absolute Return	Colchester Global Government Bond, Robeco BP Global Premium Equity

Australian Fund Manager of the Year 2017 – Vanguard Investments Australia

Vanguard Investments Australia richly deserves Morningstar’s overall award for excellence in funds management in 2017. The firm was a finalist in multiple categories, but what was most impressive has been the consistency of performance across all sectors. The disciplined approach, low costs, and low portfolio turnover continue to deliver enviable outcomes for investors; all but one of the 17 Vanguard funds Morningstar covers were in the top third of their peer group in 2016. All of this makes Vanguard the exemplary winner for the overall Fund Manager of the Year title.

Fund Manager of the Year: Multisector Category, Australia 2017 – Schroders

Schroders’ multi-asset capability is the premier option for Australian investors. Simon Doyle and Simon Stevenson have steered the Balanced and Real Return strategies expertly through a range of market conditions, and were well-placed to take advantage of the market rotation in 2016. Investors continue to benefit from this team’s thorough research, shrewd insights, and consistent approach, all of which make Schroders highly-deserving of this year’s Multisector category award.

Fund Manager of the Year: Fixed Interest Category, Australia 2017 – PIMCO Australia

PIMCO’s wide-ranging expertise in fixed income investing was on full display again during 2016. The firm achieved excellent results across several different capabilities, and as volatility returned to bond markets, showed that it can deliver when it really matters. All of this stems from the highly-capable team’s sophisticated and insightful research and application of a robust process. These traits have underpinned sound decisions for many years, solidifying PIMCO’s case as this year’s outstanding fixed interest manager.

Fund Manager of the Year: Domestic Equities – Large Caps Category, Australia 2017 – Schroders

Patience, commitment, and holding steadfast to proven investment processes ensured that Schroders’ Australian equities investment team achieved outstanding results in 2016. The marriage of a time-tested and thorough investment approach with astute insights has enabled Martin Conlon and Andrew Fleming to reward

investors and gain Morningstar's highest conviction. Morningstar analysts have confidence that investors will continue to benefit from the quality and consistency of Schroders' approach to Australian equities investing.

Fund Manager of the Year: Domestic Equities – Small Caps Category, Australia 2017 – Investors Mutual

Investors Mutual's value and quality discipline, skilful application of a sensible process, and savvy people continue to offer Australian investors an exceptional vehicle for investing in smaller companies. The strategy has certainly benefitted from the recent rebound in value stocks, but what's much more exceptional is the way Simon Conn and his colleagues have been able to deliver consistently excellent results in a variety of market conditions. All of this suggests that Investors Mutual Australian Smaller Companies will continue to reward investors handsomely.

Fund Manager of the Year: International Equities Category, Australia 2017 – Generation Investment Management

Generation has built an outstanding track record over the past decade under Mark Ferguson and Miguel Nogales' leadership. The growth-tilted portfolio has been a bastion of strength in a market environment in which many active fund managers have struggled for consistency and to demonstrate value-add. The firm's genuinely long-term mindset, rigorous focus on sustainability, and tilts to technology and healthcare stocks all continue to serve investors well. Generation remains a top-notch vehicle for achieving the diversification benefits of investing in international shares.

Fund Manager of the Year: Property & Infrastructure Category, Australia 2017 – Zurich/Renaissance Property Securities

Investors are well-served by Zurich/Renaissance's seasoned team and time-tested value approach to investing in Australian listed property stocks. Carlos Cocaro and Damien Barrack operate a genuinely active investment approach, taking sizeable departures from index weightings and investing in unloved stocks and turnaround stories. Although bumpy along the way, investors who embrace this continue to be well-rewarded, rendering Zurich/Renaissance a sterling option for Australian listed property exposure.

Fund Manager of the Year: Undiscovered Manager Category, Australia 2017 – BMO Pyrford Global Absolute Return

BMO Pyrford Global Absolute Return's multi-asset capability is led by a seasoned group of investors. Launched in Australia in 2014, the portfolio of long-only equities and AA-rated or higher sovereign bonds has achieved highly-creditable results for United Kingdom investors for over 25 years. Morningstar believes it's

worthy of wider attention from Australian investors and financial advisers, and that many will appreciate its conservative nature and ability to protect on the downside.

The Awards are copyright Morningstar. Fund managers may not publicise the Award(s) without the prior written consent of Morningstar.

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 a Morningstar Analyst Rating™.

Morningstar determines the winners based on a combination of qualitative research by its manager research analysts; risk-adjusted returns over medium- to long-term periods; and performance in the 2016 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 2017

To receive the overall Morningstar Australian Fund Manager of the Year award, a fund manager must have offered funds in multiple award categories or 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 2017 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 2017 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

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 is a subsidiary of Morningstar, Inc., 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 advisers, asset managers, retirement plan providers and sponsors, and institutional investors in the private capital markets. Morningstar provides data and research insights on a wide range of investment offerings, including managed investment products, publicly listed companies, private capital markets, and real-time global market data. Morningstar also offers investment management services through its investment advisory subsidiaries, with more than US\$200 billion in assets under advisement and management at 31 December 2016. The company has operations in 27 countries.

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