

Morningstar Announces Fund Manager of the Year Winners

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For Immediate Release

Introduction

Morningstar has announced the winners in the Morningstar Fund Manager of the Year Awards 2008.

Schroders took out the top award as Morningstar's Australian Fund Manager of the Year 2008.

"The past year once again illustrated vividly the risks in investment markets," Morningstar Head of Adviser & Research Anthony Serhan said. "While few fund managers were able to stem the tide of red ink, some were able to limit their losses, and thereby lay better foundations to help their investors get back into the black."

Morningstar uses both qualitative research and analysis of fund managers' risk-adjusted performance when determining the winners and finalists in the Morningstar Fund Manager of the Year Awards. The winner is the fund manager which maintained the highest overall level of funds management excellence during calendar 2008.

Award	Winner	Finalists
Morningstar Fund Manager of the Year	Schroders	Colonial First State Vanguard Investments
Morningstar Fund Manager of the Year Multisector	Schroders	Perpetual Investments Vanguard Investments
Morningstar Fund Manager of the Year Fixed Interest	Vanguard Investments	Tyndall Investment Management Vianova Asset Management
Morningstar Fund Manager of the Year Domestic Equities	Schroders	Aviva Investors Colonial First State - Core
Morningstar Fund Manager of the Year Domestic Equities – Small Caps	Investors Mutual	Ausbil Dexia Souls Funds Management
Morningstar Fund Manager of the Year International Equities	Platinum Asset Management	MFS Global Equity Walter Scott
Morningstar Fund Manager of the Year Listed Property	ING Investment Management	BT Investment Management Macquarie Funds Group
Morningstar Fund Manager of the Year Emerging	Solaris Investment Management	Magellan (Global Equities) Schroders (Australian Small Companies)
Morningstar Fund Manager of the Year Most Improved	UBS International Equities	Colonial First State Australian Equities - Growth Goldman Sachs JBWere Australian Equities

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Morningstar Fund Manager of the Year 2008 – Schroders

The Morningstar Fund Manager of the Year 2008 is **Schroders**. Schroders' disciplined process and eye on valuation has helped the firm navigate a difficult year for investors. It was this focus on fundamentals that won Schroders our Australian Equities award for 2008, and which has delivered strong long-term returns to investors. Similar themes helped Schroders make smart asset allocation decisions and led to the firm winning the Multi-Sector Fund Manager of the Year 2008, while top-quartile performance in fixed interest and global equities over three and five years helped deliver Schroders our overall award.

Morningstar Fund Manager of the Year Multisector 2008 – Schroders

The Morningstar Fund Manager of the Year Multisector 2008 is **Schroders**. While strategic and target asset allocations are key to the performance of Schroders' multi-sector funds, understanding, managing, and allocating risks are also important factors the shop considers. The house's shrewd asset allocation generated considerable value for investors, stockpicking in Australian equities also a major contributor. The Schroder Balanced Fund stood above most peers in 2008 and over the longer term, making Schroders the deserving winner of this award.

Morningstar Fund Manager of the Year Fixed Interest 2008 – Vanguard Investments

The Morningstar Fund Manager of the Year Fixed Interest 2008 is **Vanguard Investments**. This is the first time Vanguard has taken out our top award in this category, although the firm has been the bridesmaid on a number of occasions. Vanguard richly deserves this award: all its fixed interest strategies shone in 2008, posting strong, peer-beating absolute returns. The index specialist continues to deliver what it does best – a simple, well-executed, low-cost approach to investing in fixed interest. In this category, that's proven difficult to surpass.

Morningstar Fund Manager of the Year Domestic Equities 2008 – Schroders

The Morningstar Fund Manager of the Year Domestic Equities 2008 is **Schroders**. We continue to be impressed by the people and process driving this strategy, Martin Conlon and his team running one of the best Australian equities portfolios in the business. Schroders' real strength lies in the shop's disciplined process and the level of insights gained from the team's research efforts. The focus on firms with strong pricing power and sustainable competitive advantage helped avoid many of the momentum-driven growth stocks whose prices collapsed in 2008. Consistently performing among the best, Schroders is a top-shelf Australian equities fund manager.

Morningstar Fund Manager of the Year Domestic Equities – Small Caps 2008 – Investors Mutual

The Morningstar Fund Manager of the Year Domestic Equities – Small Caps 2008 is **Investors Mutual**. Senior Portfolio Manager Simon Conn is one of the most seasoned hands in the small-cap sector, having been in charge of Investors Mutual's strategy since its 1998 inception. The firm focuses on identifying stocks with predictable and recurring earnings. This helped Investors Mutual avoid many of the cyclical stocks which fell sharply in 2008, and in an environment of significant absolute losses, do a much better job of preserving investors' capital than most peers.

Morningstar Fund Manager of the Year International Equities 2008 – Platinum Asset Management

The Morningstar Fund Manager of the Year International Equities 2008 is **Platinum Asset Management**. The firm's high-calibre team led by Kerr Neilson continues to excel at identifying undervalued stocks on the basis of themes and emerging trends while also taking short positions. Sticking patiently true to this approach through some lean years, Platinum bounced back with a vengeance in 2008 as its long-held ideas bore fruit, while also shielding investors from the worst of the market turmoil. With big ticks in people, process, and performance, Platinum was the standout international equities fund manager in 2008.

Morningstar Fund Manager of the Year Listed Property 2008 – ING Investment Management

The Morningstar Fund Manager of the Year Listed Property 2008 is **ING Investment Management**. This year, we have for the first time included global alongside Australian listed property when determining this award. In what was a turbulent year for listed property markets around the world, ING's Australian and global property strategies managed to outdo their peers. The Australian team made a conscious decision in late 2007 to reduce exposure to stocks with potential balance sheet issues, an astute move which has helped ING hold up better than most. The global strategy has consistently been one of the best performers since its launch in 2005, helping make ING a worthy winner of our listed property award.

Morningstar Fund Manager of the Year Emerging 2008 – Solaris Investment Management

The Morningstar Fund Manager of the Year Emerging 2008 is **Solaris Investment Management**. The former Suncorp Australian equities team led by Denis Donohue established Solaris in January 2008. Solaris launched core and high alpha capabilities, and hit the ground running with impressive initial relative performance in the turbulent conditions of 2008. Solaris employs the same style-neutral, multi-portfolio manager approach structured along sector lines that the team used to achieve great success at Suncorp. The firm's well-capitalised, Pinnacle Investment Management's backing a key attribute given the financial issues many investment firms are facing in this difficult environment. We have conviction that Solaris will be able to deliver for its investors over the long term.

Morningstar Fund Manager of the Year Most Improved 2008 – UBS International Equities

The Morningstar Fund Manager of the Year Most Improved 2008 is **UBS International Equities**. This formerly dysfunctional global shares strategy made up a lot of lost ground in 2008 under the new leadership of Nick Melhuish. After his appointment in late 2007, Melhuish quickly made a number of encouraging changes which paid off in 2008. There's now greater accountability within the team, and while the process is largely the same, portfolio construction now has more structure and discipline. We're now cautiously optimistic about the future of this strategy.

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Methodology

Only Australian-domiciled fund managers qualify for inclusion in the Morningstar Fund Manager of the Year Awards, and only their retail and wholesale unit trusts, superannuation funds, and pension funds influence the outcome. This created a portfolio of eligible funds for each fund manager in each sector – called the fund manager's 'fund portfolio'. Detailed analysis is then conducted on these funds.

Determining Winners of Sector Titles

Winners are determined by a combination of risk-adjusted medium- to long-term track record; performance over calendar 2008; and by qualitative analyst conviction.

Each manager's qualifying funds are aggregated on an asset-weighted basis within each award category to form an overall 'fund portfolio'. The track record for a fund portfolio is derived from a combination of Morningstar's Risk-Adjusted Return measure over two time periods – three and five years. (Funds with less than three years' track record are not included.) The five-year period accounts for 60.0 percent, and the three-year period for 40.0 percent. If only three years of data is available, the three-year figure alone is used. The one-year performance criterion for a fund portfolio is based on the asset-weighted average for the 2008 calendar year. Unlike the track record calculation, the one-year ranking is not risk-adjusted.

Finally, Morningstar's Research team is responsible for providing the qualitative opinion of the fund portfolio. This qualitative assessment is made after considering the relative quality of the fund manager's people, process, philosophy, and style, and business and investment disciplines during the 2008 calendar year and over the long term. The qualitative assessment also captures practical issues which quantitative screens cannot. The fund portfolio's track record, one-year performance, and the Research team's opinion are combined to determine each sector winner for the 2008 calendar year.

Determining the overall Morningstar Fund Manager of the Year 2008

This methodology was applied consistently to all the Australian-domiciled fund managers as at 31 December 2008. To receive the overall Morningstar Fund Manager of the Year Award, a fund manager must have offered funds in at least three of the six sectors where winners are determined. Points were awarded to each fund manager for the top 10 placings in each sector. The points were then weighted based on the importance of each asset class in the market where awards are given. The fund manager with the highest weighted total points was awarded the overall Morningstar Fund Manager of the Year 2008 title. The Morningstar Fund Manager of the Year 2008 therefore represents the Australian fund manager which, in Morningstar's opinion, has maintained the highest level of funds management excellence during the 2008 calendar year.

Determining the Emerging and Most Improved Fund Managers of the Year 2008

Finalists in these award categories are at the discretion of the fund Research team. The Emerging Fund Manager of the Year 2008 is the emerging fund manager which has the ability and opportunity to build a successful long-term track record through its performance and investment management capabilities. The objective of this award is to provide recognition to emerging fund managers in the Australian market, and to established fund managers which have developed new capabilities. The funds eligible for this award will typically not have a three-year track record. Finalists are determined not only from the available quantitative data, but also based on their investment capabilities. The Most Improved Fund Manager of the Year 2008 is the fund manager which, in Morningstar's opinion, showed the greatest improvement in investment approach. The objective of this award is to recognise the fund managers which have begun to turn their fortunes around in a nominated asset class.

About Morningstar

Morningstar Australasia Pty Ltd is a unit of Morningstar, Inc., a leading provider of independent investment research in North America, Europe, Australia, and Asia. The company offers an extensive line of Internet, software, and print-based products and services for individuals, financial advisers, and institutions.

Morningstar provides data on more than 290,000 investment offerings, including stocks, mutual funds, and similar vehicles. The company has operations in 18 countries and minority ownership positions in companies based in three other countries.

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Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in Morningstar's filings with the SEC, including Morningstar's Annual Report on Form 10-K for the year ended Dec. 31, 2008. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you read in this press release reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.