



Transparency Trophy – Entry Submission - MORNINGSTAR

Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia and Asia. Our mission is to create great products that help investors reach their financial goals, and we work directly with investors, as well as the advisers and institutions that serve them. Morningstar provides data on more than 500,000 investment offerings, including stocks, mutual funds and similar vehicles, along with real-time global market data on more than 17 million equities, indices, futures, options, commodities and precious metals: all with the aim of making these offerings more transparent and therefore more understandable for investors. The proprietary information in our database, such as full portfolio holdings for collective investment funds, is the foundation for our Analysts research, software and services. From its start in 1984, Morningstar has created new ways to help people evaluate and understand investments, and we've built tools that help people see how different investments work together. In recent years we've been building our presence in markets that would benefit from additional transparency—the most recent being Dubai, Brazil, Chile and Mexico.

Fund Fees: We are long-standing advocates of lower fees and more transparency in fees. We work with the regulators, industry bodies and asset managers to encourage better transparency of costs; we are vocal on the benefits to investors of low-cost investments and our published studies have shown that fees are the single biggest predictor of performance.

Smart Beta: We issue an annual paper on the strategic-beta ETP landscape to explain how funds differ in their approach; this includes an explanation of our proprietary classification system for strategic-beta ETPs, which has been designed to help investors better understand these funds, and to help them make a true peer comparison.

Investment Trusts: We were pioneers for greater transparency from investment trusts regarding their holdings ahead of, and subsequent to, the introduction of the Retail Distribution Review. We have made great strides not just in improving holdings disclosure, but also in encouraging the trusts' boards to be more transparent and open about their funds, to all and not just existing, investors.

Global Fund Investor Experience: We issue a bi-annual report, first published in 2009, measuring the experiences of mutual fund investors in 25 countries. The report has promoted dialogue around global best practices for mutual funds from the perspective of fund shareholders and transparency has been a key focus throughout all four categories of evaluation.

Solvency II: We were early providers of data and technology services to asset managers for the express purpose of releasing holdings data to their insurance clients for Solvency II reporting, to meet the needs of the look-through principle.

Australia: Heather Brilliant, CEO of Morningstar Australia and member of the CFA institute board of governors, is campaigning in Australia for local fund managers to embrace better transparency.

Regulatory/Industry: We provide services to, consult and advise the SEC and other industry bodies globally on topics including portfolio and fee transparency.

Environmental, Social and Governance (ESG) Scores: We are launching ESG scores in 2016 in conjunction with Sustainalytics to bring greater transparency for investors and the investment industry through ESG research, data and tools.

Quite simply, transparency is in our DNA.