

Morningstar, Inc. Fact Sheet

June 2017

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, 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 \$200 billion in assets under advisement and management as of June 30, 2017. The company has operations in 27 countries.

Key Facts

- ▶ Headquarters: Chicago, Illinois
- ▶ Date of incorporation: May 16, 1984
- ▶ Date shares began trading on NASDAQ: May 3, 2005
- ▶ Ticker symbol: MORN
- ▶ Number of employees worldwide (as of June 30, 2017): 4,675
- ▶ Website: <http://global.morningstar.com>

Our History

In 1984, Joe Mansueto left his job as a stock analyst. He realized that investors lacked the information they needed to make intelligent decisions about which investments best fit their plans. At the same time, he saw mutual funds growing in popularity as the tides were shifting away from company pensions to 401(k) plans. What was missing, he thought, was investment research for the average investor.

Joe turned his idea into a new business with high aspirations—to help investors reach their financial goals. Driven by the same entrepreneurial spirit that led him to sell sodas and snacks to his dorm-mates while earning his master’s degree at the University of Chicago, Joe invested a small sum of money into a few early-model computers and launched Morningstar from his one-bedroom apartment in Chicago’s Lincoln Park neighborhood.

Morningstar introduced its first product, *The Mutual Fund Sourcebook*,™ a quarterly publication containing performance data, portfolio holdings, and other information on approximately 400 mutual funds. This large-scale collection of mutual fund data was priced affordably for individual investors. In the years since the *Sourcebook*’s first printing, Morningstar has served a key role in the investment community. Today Morningstar is one of the most recognized and trusted names in the investment industry.

Individual investors use Morningstar to make educated investment decisions. These investors want pertinent facts they can trust from an independent

source, delivered in easy-to-understand formats. Financial advisors and other investment professionals turn to Morningstar for tools that help them research, analyze, present, and support their investment ideas. Morningstar’s research, analytics, and investment management services help advisors make more efficient use of their time and deliver better investment outcomes to clients.

Asset management firms of all sizes look to Morningstar for ideas that help them develop, differentiate, and manage financial products—all while strengthening connections with distributors and investors. Tapping into our independent research and industry expertise helps asset managers discover efficiencies and innovations while meeting regulatory challenges and global market needs.

Retirement plan providers differentiate their businesses through Morningstar’s expertise in improving existing plans and pioneering retirement products. They also value Morningstar as a single source for investment consulting, advisory services, software, data, and research. Retirement plan sponsors enhance their benefits programs with Morningstar’s independent investment management services, accessible communications, and knowledge about serving investors. We help plan sponsors meet their fiduciary responsibilities and better prepare employees for retirement.

Our Strategy and Key Objectives

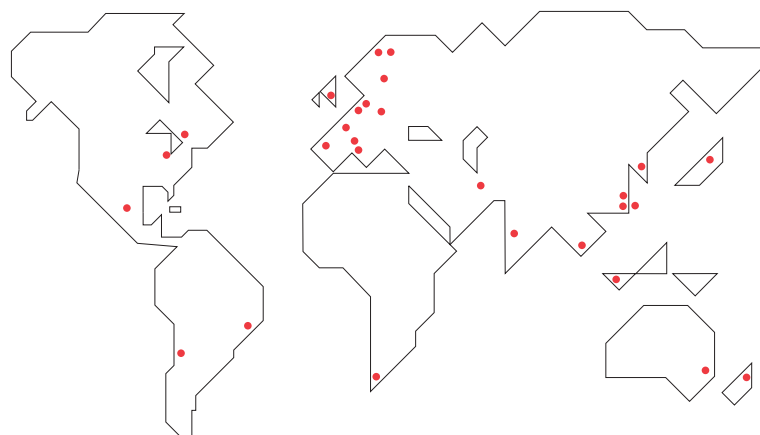
- ▶ Develop Morningstar Direct as our flagship decision support platform
- ▶ Produce the most effective investment data, research, and ratings to help investors reach their financial goals
- ▶ Build world-class investment management solutions based on our proprietary research

Our Values

- ▶ Investors First
- ▶ Great Products
- ▶ Great People
- ▶ Uncompromising Ethics
- ▶ Entrepreneurial Spirit
- ▶ Financial Success

Worldwide Reach

We conduct our operations outside of the United States through wholly owned or majority-owned subsidiaries.



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|---------------|--------|-----------------|----------------------|-------------|-------------|
| Canada | Brazil | Denmark | Spain | China | Australia |
| United States | Chile | France | South Africa | India | New Zealand |
| Mexico | | Germany | Sweden | Japan | |
| | | Italy | Switzerland | Singapore | |
| | | Luxembourg | United Arab Emirates | South Korea | |
| | | The Netherlands | United Kingdom | Taiwan | |
| | | Norway | | Thailand | |

Our Leadership

Executive Management

Joe Mansueto
Executive Chairman

Kunal Kapoor, CFA
Chief Executive Officer

Bevin Desmond
Head of Global Markets and Human Resources

Jason Dubinsky
Chief Financial Officer

Daniel Dunn
Chief Revenue Officer

John Gabbert
Chief Executive Officer, PitchBook Data, Inc.

Haywood Kelly, CFA
Head of Global Research

Pat Maloney
General Counsel

Daniel Needham, CFA
President and Chief Investment Officer, Investment Management

Catherine Odelbo
Head of Corporate Strategy and Partnerships

Rob Pinkerton
Chief Marketing Officer

Tricia Rothschild, CFA
Chief Product Officer

Mitch Shue
Chief Technology Officer

David W. Williams
Head of Design

Board of Directors

Joe Mansueto
Chairman

Robin Diamonte
Board Member Since 2015

Cheryl Francis
Board Member Since 2002

Steve Kaplan
Board Member Since 1999

Kunal Kapoor
Board Member Since 2017

Gail Landis
Board Member Since 2013

William M. Lyons
Board Member Since 2007

Jack Noonan
Board Member Since 1999

Paul Sturm
Board Member Since 1999

Caroline Tsay
Board Member Since 2017

Hugh Zentmyer
Board Member Since 2010

Timeline

- 1984** Joe Mansueto establishes Morningstar in his Chicago apartment
- 1985** Morningstar Rating™ for mutual funds debuts
- 1986** *Morningstar® Mutual Funds™* launches
- 1991** CD-ROM-based Principia® software for advisors launches; Paul Rand designs a new logo for Morningstar
- 1992** Morningstar creates the nine-square Morningstar Style Box™; *Morningstar® FundInvestor™* newsletter debuts; revenue exceeds \$10 million
- 1996** Morningstar category system for mutual funds debuts
- 1997** Morningstar.com® launches
- 1998** Tokyo-based Softbank and Morningstar establish a joint venture in Japan; *Morningstar® StockInvestor™* newsletter debuts
- 1999** Morningstar establishes presence in Australia and New Zealand; Softbank acquires 20% stake in Morningstar; Morningstar expands operations into Canada; revenue exceeds \$50 million
- 2000** Morningstar launches online retirement advice service; Morningstar Europe, Morningstar Asia, and Morningstar Korea open; Morningstar Japan completes initial public offering on NASDAQ-Japan
- 2001** Morningstar Direct™ (formerly Morningstar® DataLab®), Morningstar® Advisor Workstation™, Morningstar® Managed Portfolios™, and Morningstar Rating™ for stocks debut
- 2002** Morningstar® Indexes debuts; Morningstar.com surpasses 100,000 Premium Members; revenue exceeds \$100 million
- 2003** Morningstar managed retirement accounts launch, Style Box “Ownership Zones” debut; Morningstar Rating™ for separate accounts debuts; Morningstar acquires mPower
- 2004** Morningstar begins creating a hedge fund database; launches Morningstar® Advisor Workstation™ Office Edition; begins providing independent equity research under Global Analyst Research Settlement; debuts Stewardship Grade™ for funds
- 2005** Morningstar completes auction-style initial public offering; introduces Morningstar Rating™ for load-waived A shares of mutual funds; acquires Finetre’s VARDS unit; revenue exceeds \$200 million
- 2006** Morningstar Rating™ for ETFs debuts; Morningstar introduces new investor return data; Morningstar acquires Ibbotson Associates, Aspect Huntley in Australia, and InvestorForce’s hedge fund and separate account databases; revenue exceeds \$300 million
- 2007** Morningstar UK begins providing research and qualitative analysis of UK open-ended investment companies and unit trusts; Ibbotson Associates receives patent based on the concept of human capital; Morningstar acquires mutual fund data business from Standard & Poor’s; revenue exceeds \$400 million
- 2008** Star ratings and indexes for hedge funds debut; Morningstar acquires Hemscott businesses, Financial Computer Support, Inc., Fundamental Data Limited, 10-K Wizard, Tenfore Systems Limited, and InvestData (Proprietary) Limited; revenue exceeds \$500 million
- 2009** Morningstar launches qualitative research and ratings for European and Asian mutual funds; acquires global financial filings database of Global Reports LLC, equity research and data business of C.P.M.S., Andex Associates Inc., Intech Pty Ltd, majority ownership interest in Morningstar Korea Co., Ltd., minority equity stake in PitchBook Data, Inc., and Logical Information Machines, Inc.; begins publishing corporate credit ratings
- 2010** Morningstar invests in Bundle; acquires Footnoted.org website and Footnoted Pro service of Financial Fineprint, Inc., Aegis Equities Research, Old Broad Street Research, Realpoint, LLC, Seeds Group, remaining ownership interest in Morningstar Denmark, and Advanced Sales and Marketing Corp.

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- 2011** Morningstar launches new ETF data points for total cost analysis, ETF managed portfolios database, and Morningstar Analyst Rating™ for funds and Global Fund Report; RMBS ratings and surveillance analytics service debuts; takes 20% stakes in YCharts; revenue exceeds \$600 million
- 2012** Morningstar launches qualitative ratings for UK closed-end funds; invests in HelloWallet; opens office in Dubai; begins publishing municipal bond research; divests footnoted, Australian financial services trade publishing, and Investor Relations Services businesses
- 2013** Morningstar acquires remaining ownership interest in Morningstar Sweden; expands equity coverage with the introduction of quantitative ratings and reports; introduces the next generation of Morningstar® Retirement ManagerSM; launches managed portfolios service in the UK and Morningstar® for iPad®
- 2014** Morningstar acquires ByAllAccounts, Inc. and HelloWallet Holdings, Inc.; launches Manager Research Services for institutional investors; revenue exceeds \$700 million
- 2015** Morningstar launches Morningstar for AdvisorsSM iPad app and market-monitoring app for Apple Watch; introduces investment management business in South Africa; acquires remaining ownership interest in Ibbotson Associates Japan K.K. and Total Rebalance Expert (tRx) investment portfolio rebalancing platform for advisors
- 2016** Morningstar introduces the Morningstar Sustainability Rating™ for funds; acquires RequiSight, LLC (RightPond); acquires InvestSoft Technology; launches Global Risk Model; acquires PitchBook Data, Inc.
- 2017** Morningstar invests in Sustainalytics and sells HelloWallet
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Major Products and Services

Data and Indexes

Morningstar® Data
 Morningstar Real-Time Data
 Morningstar® Indexes

Investment Research

Credit Research
 Equity Research
 Manager Research

Investment Management

Investment Advisory
 Morningstar® Managed PortfoliosSM
 Workplace Solutions

Investor Information

Morningstar.com® and regional investing websites worldwide
 MorningstarAdvisor.com®
 Morningstar magazine

Mobile Apps

Morningstar® for iPhone®
 Morningstar® for Android
 Morningstar® for iPad®
 Morningstar® for AdvisorsSM iPad® App
 Morningstar® *DividendInvestor*SM for iPad®
 Morningstar® *ETFInvestor*SM for iPad®
 Morningstar® *FundInvestor*SM for iPad®
 Morningstar® *StockInvestor*SM for iPad®
 Morningstar for Apple Watch

Software and Services

Morningstar® Advisor WorkstationSM
 Morningstar® ByAllAccountsSM
 Morningstar DirectSM
 Morningstar OfficeSM

Our Financials**Annual Revenue**

(\$mil)	2016	2015	2014	2016 Change	2015 Change
Consolidated revenue	798.6	788.6	760.1	1.2%	3.8%

Key Product Revenue

(\$mil)	Q2 2017 Revenue
Morningstar® Data	\$ 40.6
Morningstar Direct SM	30.7
Investment Management	26.8
Morningstar® Advisor Workstation SM	22.8
Workplace Solutions	19.0

Data Universe¹

We maintain comprehensive data on many types of investments, focusing on investment vehicles that are widely used by investors globally. As of June 30, 2017, we provided extensive data on more than:

222,935	open-end mutual funds
14,435	exchange-traded product listings
10,982	closed-end funds
43,984	stocks
2,593	hedge funds
8,900	separate accounts
5,004	collective investment trusts
130,389	variable annuity/life subaccounts and policies
68,856	insurance, pension, and life funds
14,805	unit investment trusts
4,411	state-sponsored college savings plan portfolios (Section 529 College Savings Plans)
90	years of capital markets data capturing performance of several major asset classes

Extensive cash flow, ownership data, and biographical data on directors and officers from public companies and privately held firms

Real-time market data on approximately 18.5 million exchange-traded equities, derivatives, commodities, futures, foreign exchanges, and precious metals, as well as news, company fundamentals, and analytics

Real-time price quotes for global foreign currencies

1. The figures for funds above represent the number of share classes.

Recent Company Accolades

Built In Chicago, an online platform of resources for startups and entrepreneurs, ranked Morningstar #2 out of the top 100 digital companies in Chicago in 2016. This year marks the fourth year in a row that Morningstar is ranked #2, while Morningstar was ranked #4 in 2012.

Glassdoor named Morningstar to its list of the top 50 Best Places to Work in 2012. Morningstar made Glassdoor's list of the top 25 companies for work-life balance in 2012, 2013, and 2016.

Morningstar was recognized at the 2016 *Investment Week* Research Awards in London for "Best Equity Research" and "Best Investment Research Site." In 2015, Morningstar won in the "Thought Leadership" category in the Investment Marketing and Innovation Awards and also won in the "Best Thought Leadership" category in its Fund Services Awards the same year. The publication also named Morningstar winner in its "Best Fund Rating and Research" category at the 2014 awards.

Morningstar won The Marketing Mastermind: Best Event Marketing Strategy Award at The Fourth Annual Plannie Awards in 2016, which recognizes event professionals from leading organizations who have effectively transformed their events and meetings in innovative ways.

Morningstar won the "Technology Thought Leadership" award at the 2016 WealthManagement.com Industry Awards. The WealthManagement.com Industry Awards recognize companies and organizations that support financial advisor success. In 2015, ByAllAccounts won in the "Technology—Account Aggregation" category.

CFA Society Sweden awarded Morningstar its sixth annual Environmental, Social, and Governance (ESG) Award, which is given to the person or organization that has best raised awareness of the importance of ESG-related issues in the investment process and demonstrated leadership and commitment to this challenge.

In 2017, Great Place to Work® Institute Canada named Morningstar Canada one of the "Best Workplaces in Canada" for the fifth consecutive year, and *FORTUNE* magazine named Morningstar, Inc. to its "100 Best Companies to Work For" list in 2011 and 2012.

HelloWallet was named "Best in Show" at the FinovateFall 2015 Conference and won a Silver Award in the Finance category of the W3 Awards, which are judged by the Academy of Interactive and Visual Arts.

Morningstar won "Best Data Analytics for Digital Business" at Apigee's 2015 Digital Accelerator Awards.

Morningstar® for iPad® won the 2014 and 2015 Tabby Awards Users' Choice Award in the personal finance apps category.

In 2015, Morningstar was inducted into the Mutual Fund Industry Awards Hall of Fame for excellence, achievements, and contributions to the mutual fund industry.

Year Up Chicago named Morningstar the winner of its 2014 Corporate Partner of the Year award, recognizing commitment to closing the opportunity divide and by helping young adults in Chicago achieve their professional goals.

In 2013 and 2014, Waters Technology named Morningstar "Best Mobile Solutions Provider" in its annual Waters Rankings.

In *The Wall Street Journal's* Best on the Street: 2013 Analysts Survey, Morningstar had 12 analysts who ranked among the top three in their respective industries—more than any other firm.

Morningstar or Ibbotson Associates researchers have won 10 Graham and Dodd Awards/Graham and Dodd Scroll Awards from the *CFA Institute Financial Analysts Journal (FAJ)*.

Morningstar UK was named Best Investment Data Provider at the Professional Adviser Awards 2013. Also in 2013, *Money Management* named Morningstar Australasia Research House of the Year.

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