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FOR IMMEDIATE RELEASE**Morningstar Announces 2008 Fund Manager of the Year Awards**

Domestic- and international-stock award winners limited losses in a terrible year for the markets; fixed-income repeat winner made money for shareholders

CHICAGO, Jan. 6, 2009—Morningstar, Inc. (Nasdaq: MORN), a leading provider of independent investment research, today announced the three winners of its Fund Manager of the Year award. The winning domestic- and international-stock fund managers were able to enhance their long-term records by minimizing losses and maintaining their rigorous approaches to stock-picking, while the winning fixed-income fund managers—one of whom is now a three-time honoree—managed a gain for shareholders.

To recognize the best fund managers each year, Morningstar selects leaders in three asset classes—domestic stock, international stock, and fixed income. The Fund Manager of the Year winners for 2008 are:

- **Domestic-Stock Fund Manager of the Year:**

Charlie Dreifus

Royce Special Equity (RYSEX)

- **International-Stock Fund Manager of the Year:**

David Samra and Daniel O'Keefe

Artisan International Value (ARTKX)

- **Fixed-Income Fund Manager of the Year:**

Bob Rodriguez and Tom Atteberry
FPA New Income (FPNIX)

“When selecting our Fund Managers of the Year, we look for superior long- and short-term performance, proven strategies executed by experienced teams rather than trend-chasing, and strong stewardship,” said Russ Kinnel, director of mutual fund research for Morningstar.

“2008 was such a challenging year for fund investors and managers,” Kinnel added. “We have seen how crucial it is for managers to be able to successfully limit investors’ losses. For example, Domestic-Stock Fund Manager of the Year Charlie Dreifus lost 19.6% in 2008, whereas the market as a whole lost 37%. Despite these losses, he has made it a lot easier for investors to get back into the black than many of his peers.”

Domestic-Stock Fund Manager of the Year: Charlie Dreifus, Royce Special Equity (RYSEX)

Royce Special Equity, a Morningstar Analyst Pick, is well known as a strong performer in bear markets. Dreifus moderates risk by investing in companies with clean accounting and strong balance sheets.

Dreifus focuses on stocks trading at high discounts to their intrinsic fair values, with high returns on invested capital and plenty of cash on hand. The fund scores a Stewardship Grade of “A,” due primarily to its low fees, investor-focused corporate culture, and managers with significant investments in the fund. Although the fund closed to new investors in March 2004, it reopened in June 2006.

“We have a lot of confidence in Dreifus’ investing skills, especially when markets go south,” Kinnel said. “His strategy shields against losses in bad markets even though it also means that Royce Special Equity lags in big market rallies.”

International-Stock Fund Manager of the Year: David Samra and Daniel O’Keefe,

Artisan International Value (ARTKX)

Samra and O’Keefe came to Artisan Partners in 2002 to launch Artisan International Value, a Morningstar Analyst Pick. They have admirably steered the fund through the turbulence of 2008: although the fund lost 30.1%, the average foreign small/mid-value fund fell 46.9%.

The managers pay little attention to how their peers are investing, or to indexes like MSCI EAFE and the MSCI EAFE Value. Instead, Samra and O'Keefe look for companies trading at significant discounts to their estimates of the stocks' values, with high returns on invested capital, healthy free cash flows, and strong balance sheets. Their rigorous screening process results in a portfolio of about 50 stocks, which is more concentrated than its average peer.

"Samra and O'Keefe's aversion to companies that carry a lot of debt means that they avoided some of the most troubled areas of the market, like banks and insurers," Kinnel said. "We think their clear, consistent strategy positions them well for the long term."

Fixed-Income Fund Manager of the Year: Bob Rodriguez and Tom Atteberry, FPA New Income (FPNIX)

Rodriguez began sounding the alarm about careless mortgage lending practices a few years ago, and in the summer of 2007, he criticized the big credit rating agencies for doling out high ratings to risky mortgage-backed securities. In 2008, these warnings became reality as credit markets tightened and their prudent approach helped investors enormously: in 2008, FPA New Income trounced its peers with a 4.3% gain. In fact, the fund hasn't suffered a calendar-year loss since Rodriguez took the reins in 1984, a long-term record of success that has made the fund an Analyst Pick.

The fund has a big cash stake, and Rodriguez and Atteberry won't buy high-yield bonds until they think investors are adequately compensated for the risks in that market. The fund also doesn't track a broad market index—unlike many of its peers—and instead seeks the best values across all sectors. The fund's strong corporate culture, forthright shareholder communication, and low fees contribute to its "A" Stewardship Grade.

"Rodriguez and Atteberry largely predicted the financial meltdown last year, and investors have benefited tremendously from their foresight and the risk aversion they practiced in assembling the New Income portfolio," Kinnel said. "Usually, winning and losing fixed-income fund managers are separated by only 30 or so basis points. In 2008, Rodriguez and Atteberry beat their competitors by more than 900 basis points, and their 10-year returns are stellar, too."

Rodriguez received Morningstar's Fixed-Income Fund Manager of the Year honor in 2001. In 1994, before Morningstar separated the award into three asset classes, Rodriguez was named Morningstar's Fund Manager of the Year.

Runners-Up for 2008

Several other names were among the strong field of contenders for Morningstar's 2008 Fund Manager of the Year awards: Bob Goldfarb and David Poppe of Sequoia Fund (SEQUX) were runners-up for the Domestic-Stock Fund Manager of the Year. The runner-up for International-Stock Fund Manager of the Year was Jean-Marie Eveillard of First Eagle Overseas (SGOVX). Bill Gross and team, PIMCO Total Return Bond (PTTRX) and Harbor Bond (HABDX), were runners-up for the Fixed-Income Fund Manager of the Year award. Gross, who most recently won the award in 2007, is a three-time winner of Fixed-Income Fund Manager of the Year.

Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers' funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term performance and of aligning their interests with shareholders'. The Fund Manager of the Year award winners are chosen based on Morningstar's proprietary research and in-depth evaluation by its fund analysts.

All figures cited in this release are preliminary, year-end figures and are subject to change.

Daniel O'Keefe of Artisan International Value was a fund analyst at Morningstar in the mid-1990s.

For Morningstar's article about the winners, go to:

<http://www.morningstar.com/goto/fmoy>

For the complete list of past and current winners, go to:

<http://corporate.morningstar.com/FMOYhalloffame>

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