
Morningstar Analyst Rating and Global Fund Report

January 2012

Conference phone#: 800 549-9585, at the prompt enter
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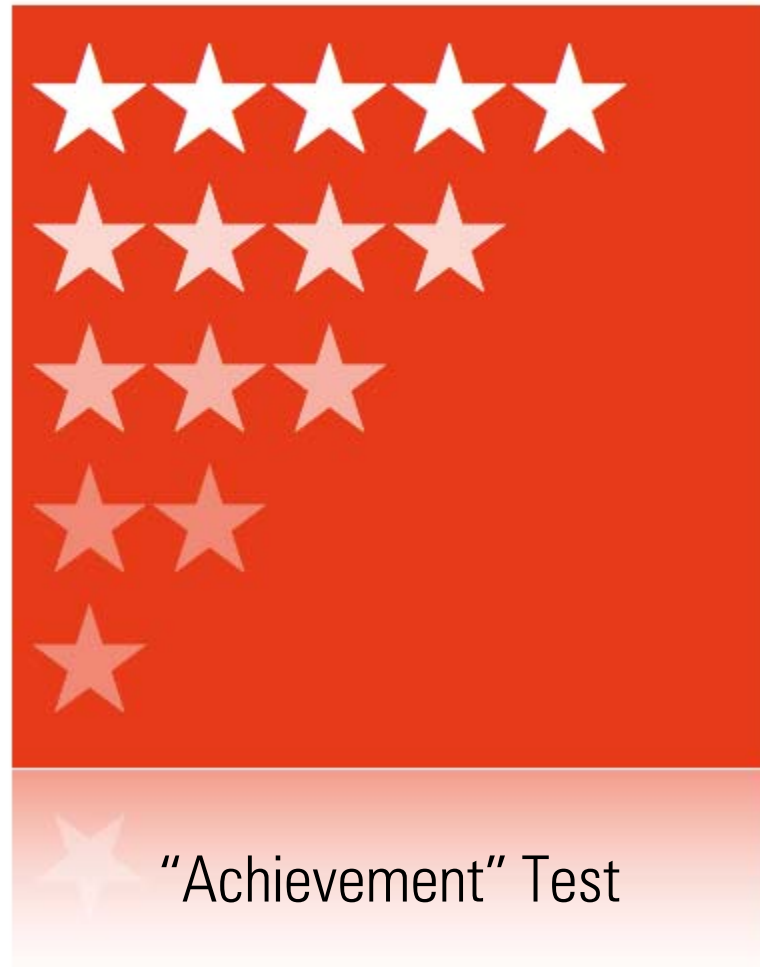
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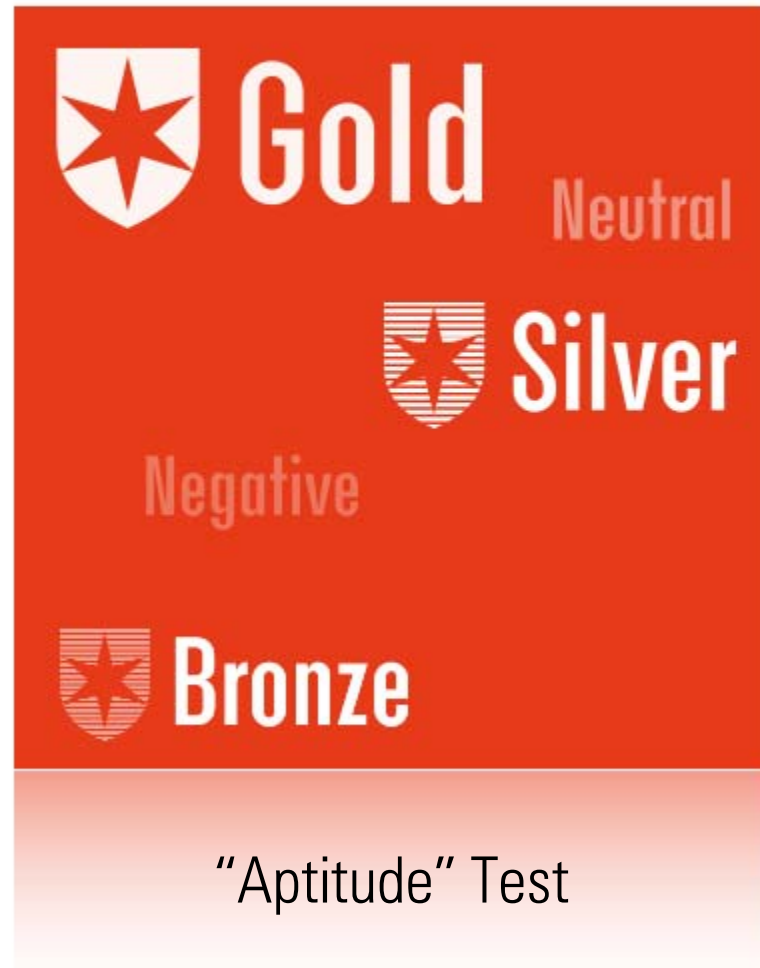
MORNINGSTAR®



Moving Beyond Past Performance



Morningstar Analyst Rating



Morningstar Analyst Rating Spectrum



Gold



Silver



Bronze

Neutral

Negative

Morningstar Analyst Rating: The Five Pillars



People

How talented are the fund's managers and analysts?



Process

What is the strategy, how does that translate into the portfolio?



Performance

Why did the fund behave a certain way in different markets?



Parent

What priorities prevail at the firm? Stewardship or salesmanship?



Price

Is the fund a good value proposition compared to similar funds sold through similar channels?

Morningstar Analyst Rating is...

- ▶ Forward-Looking
- ▶ Investor-Focused
- ▶ Comprehensive

Morningstar Analyst Rating is Not...

- ▶ A Short-Term Recommendation
- ▶ A Market Call
- ▶ Pay to Play

Global Fund Report

Morningstar Direct™ | Release Date: 03 July 2011
Page 1 of 1

Mutual Global Discovery

A Shares | TEDIX

Morningstar Category
Global Large-Cap Blend Equity

Category Index
MSCI World Free NR USD

Total Assets
1032 Mln USD

Inception Date
25/10/2005

Domicile
Luxembourg

Currency
USD

Morningstar Rating
★★★★★

Morningstar Analyst Rating
Silver

Style Map

Performance as of 07/31/11

Growth of \$10,000: 19.7%
Annualized: 10.0%
Fund: 13,990.63
Category: 12,769.43
Index: 12,490.87

Full Manager Change: Bear Market
Partial Manager Change: Bear Market

Quartile Rank in Category: 74
Percentile Rank in Category: 7.16 %
Total Return (USD): +7-Category
-1-Index

Process
Equity Style Box

Asset Allocation: 100% Stock, 0% Bond, 0% Cash, 0% Other

Regional Exposure

Americas: 36.6%
Europe & Africa: 56.2%
Asia & Australia: 7.2%

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	7/2011
3	8	63	17	22	19	45	2	92	65	74	
0.86	-9.39	31.13	18.98	15.29	23.02	10.96	-26.73	20.89	11.08	7.16 %	
18.38	9.98	-3.36	3.71	3.68	3.30	-0.32	15.17	-14.38	-2.66	-1.44	
17.69	10.50	-1.98	4.26	5.81	2.95	1.93	13.98	-8.10	-0.68	-2.09	

People

Peter Langerman: 12/09
Philippe Brugere-Trelat: 12/09
Timothy Rankin: 12/10
Total Named Managers: 3

Supervisor	Cyclical	Sensitive	Defensive
43	43	46	40
40	40	38	37
20	24	25	26 %
32	22	22	29
24	27	27	29
40	34	35	35 %
25	35	32	31
36	35	36	51
35	40	39 %	40
1.37	1.39	1.46	1.42
1.39	1.33	1.31	1.30
1.33	1.34	—	—

Mutual Global Discovery is changing, but much is the same.

Analyst View
Bridget B. Hughes CFA

Morningstar Analyst Rating
July 4, 2011

Morningstar Pillars

Process | page 2-3: Positive
Performance | page 4: Positive
People | page 5: Positive
Parent | page 6: Neutral
Price | page 7: Negative

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term as a risk-adjusted return.

Analyst Summary
Analyst Summary: Gold, Silver, Bronze, Neutral, Negative

Mutual Global Discovery is changing, but much is the same.

Sept. 29, 2011 | This fund has continued to move into some unloved areas. Although some healthcare stocks have improved their performance so far in 2011, the managers here have added to their large-cap pharmaceutical stake. After buying Eli Lilly and Pfizer PFE in 2010's first half, managers Peter Langerman and Philippe Brugere-Trelat (with assistant portfolio manager Timothy Rankin) also added Merck MRK in 2011's first quarter and Novartis NVS and Teva Pharmaceutical TEVA in 2011's second quarter. All told, healthcare stocks consume more than 12% of the portfolio, an overweight compared with the fund's MSCI World Index benchmark and greater than the world-stock category average. This kind of move into unloved areas has characterized Mutual Series over the years. (The managers have recently also added American International Group AIG.) It helps explain the portfolio's value tilt; valuation work is critical here.

Meanwhile, much has remained the same. Tobacco stocks are still a big part of the portfolio, though some have been trimmed as valuation dictates. Lorillard, for example, has been one of the fund's big winners in 2011—it's up 37% so far in 2011—and the managers have sold about 10% of the fund's shares. Nonetheless, tobacco companies still consume about 9% of assets as of the end of June 2011.

Since Langerman and Brugere-Trelat took the fund's reins after an abrupt management change in late 2009, performance has been unexceptional. Its 0.19% cumulative loss between the beginning of 2010 and Sept. 28, 2011, is roughly in line with the MSCI World Index's 0.25% setback and the world-stock category's 0.78% average loss. But given Mutual Series' enduring process, the fund's long-term results are still meaningful, and those are impressive; its 7.53% annualized 10-year return lands in the world-stock category's best quartile.

Investors remain in capable hands here.

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Assigning Morningstar Analyst Ratings

- ▶ Morningstar Analyst Ratings replace
 - ▶ U.S. and Canadian Picks & Pans
 - ▶ Asian, European and Australian Qualitative Ratings
 - ▶ OBSR Ratings in the U.K. (2012)
- ▶ Fund Research determines which funds to rate
 - ▶ Large funds
 - ▶ Growing funds
 - ▶ Interesting strategies

Morningstar Analyst Ratings—By Region

- ▶ US: Initial coverage of about 350 funds, expanding to 1,500 funds
- ▶ Europe and Asia: Maintaining coverage on about 1,200 funds
- ▶ Canada: Initial coverage of about 150 funds, expanding to 175

Morningstar Analyst Rating—November 2011 Distribution

- ▶ In U.S., Analyst Ratings skew high—for now
 - ▶ Gold – 44%
 - ▶ Silver – 31%
 - ▶ Bronze – 13%
 - ▶ Neutral – 9%
 - ▶ Negative – 2%

- ▶ In Europe and Asia, more of a bell-shaped distribution
 - ▶ Gold – 7%
 - ▶ Silver – 15%
 - ▶ Bronze – 28%
 - ▶ Neutral – 37%
 - ▶ Negative – 13%

Morningstar Analyst Rating—Accessing Research in Principia

- ▶ Morningstar Analyst Rating will be free to all customers, including free Morningstar.com users
- ▶ All paying subscribers will see Pillar Scorecard (Positive/Neutral/Negative on 5 P's) and analysis text in HTML—shared QuickTake
- ▶ Advisors and Direct will get 7-page Global Fund Reports in PDF
- ▶ Direct features all global ratings and reports

Morningstar Analyst Rating—Supporting Data

- ▶ About 150 new proprietary data points created to support the Global Fund Report
- ▶ Many key data will be added to Principia's grid view
- ▶ All new data pertains to U.S. open-end funds
 - ▶ Methodology extended to global funds, where able

Morningstar Analyst Rating—Equity Fund Data

- ▶ First Bought Date
- ▶ Brokerage Commissions (% of Average Net Assets)
 - ▶ Category Average
- ▶ ROIC
- ▶ Economic Moat and Coverage
- ▶ Free Cashflow Yield ex-Financials

Morningstar Analyst Rating—Fund-Firm Data

- ▶ Percentage of Assets by
 - ▶ Morningstar Ratings
 - ▶ Manager Ownership of Fund Shares
 - ▶ Manager Tenure
- ▶ 5-Year Manager Retention Rate
 - ▶ Supporting calendar-year retentions
- ▶ Success Ratios
- ▶ Percentage of Share Classes by Morningstar Fee Level

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