



News Release

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FOR IMMEDIATE RELEASE

Morningstar Names Bruce Berkowitz, David Herro, and Bill Gross Fund Managers of the Decade

Winning managers benefited shareholders for 10 years by adhering to disciplined strategies

CHICAGO, Jan. 12, 2010—Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today announced the winners of its Fund Manager of the Decade award. The Fund Manager of the Decade award, which is a new award from Morningstar, recognizes fund managers who have achieved superior risk-adjusted results over the past 10 years and have an established record of serving shareholders well. Morningstar selected leaders in three asset classes—domestic stock, international stock, and fixed income. The Fund Manager of the Decade winners are:

Domestic-Stock Fund Manager of the Decade:

Bruce Berkowitz, Fairholme (FAIRX)

International-Stock Fund Manager of the Decade:

David Herro, Oakmark International Small Cap I (OAKEX) and Oakmark International I (OAKIX)

Fixed-Income Fund Manager of the Decade:

Bill Gross, PIMCO Total Return (PTTRX), Managers PIMCO Bond (MBDFX), and Harbor Bond (HABDX)

"The 2000s saw many booms and busts; bond markets were subdued and equities ended the decade nearly flat. Our Fund Managers of the Decade showcased superior investing acumen and the ability to stay the course," said Karen Dolan, director of mutual fund analysis for Morningstar. "These managers got ahead by preserving capital on the downside and believing in their research when it pointed to good values."

Domestic-Stock Fund Manager of the Decade: Bruce Berkowitz, Fairholme (FAIRX)

At the helm of Fairholme since its inception in December 1999, Bruce Berkowitz has seen the fund grow from a few million dollars in assets to more than \$10 billion today. His aptitude for picking stocks sets him apart from his peers, and Fairholme's portfolio is filled with attractively priced firms that generate high free cash flow. Berkowitz's strategy has led to a stellar long-term record, and his large cash stakes have helped limit volatility: Fairholme earned a 13.2 percent 10-year annualized total return through Dec. 31, 2009, beating the S&P 500 by 14 percentage points.

Morningstar also named Berkowitz its 2009 Domestic-Stock Fund Manager of the Year award earlier this month. Fairholme is a current Morningstar Analyst Pick.

Dolan said, "Bruce Berkowitz secured a spot for himself among the elite stock pickers this past decade. He has executed his approach masterfully by revamping the portfolio multiple times over the last 10 years in a continuous effort to find the best bargains."

International-Stock Fund Manager of the Decade: David Herro, Oakmark International Small Cap I (OAKEX) and Oakmark International I (OAKIX)

David Herro received Morningstar's 2006 International-Stock Fund Manager of the Year award for his concentrated, value-conscious portfolios—and his strategy remains the same today. He favors stocks trading at steep discounts to their intrinsic values and avoids hot trends, which has proved advantageous over the long term. Oakmark International Small Cap achieved just over a 10 percent annualized return for the past decade, while Oakmark International attained slightly more than 8 percent.

In addition to strong returns, Herro's interests are strongly aligned with his shareholders; he has been at the helm of both funds since their inception.

"David Herro has achieved results by looking for stocks trading well below his estimate of their value. His portfolios don't look anything like the benchmark and are often spiced up with a healthy dose of emerging-markets exposure," Dolan said. "His long tenure and high personal investment in the funds clearly demonstrate his dedication to investors."

Fixed-Income Fund Manager of the Decade: Bill Gross, PIMCO Total Return (PTTRX), Managers PIMCO Bond (MBDFX), and Harbor Bond (HABDX)

A three-time winner of Morningstar's Fixed-Income Fund Manager of the Year award in this category (1998, 2000, and 2007), Bill Gross combines PIMCO's long-term macroeconomic outlook and perspective

on short-term cyclical factors to select the portfolio's holdings. Gross and the other investors at PIMCO have made many prescient calls on interest rates, bond sectors, and currencies—and nailed the housing bubble.

The largest mutual fund with more than \$192 billion in assets, PIMCO Total Return had a 10-year annualized total return of 7.7 percent for the decade, with similarly strong performance in the three- and five-year periods. Harbor Bond is a current Morningstar Analyst Pick.

“Bill Gross and PIMCO are widely considered to be among the best in the business,” Dolan said. “Despite the fund’s immense size, he has maintained the fund’s perch at the top of its category, making investors a lot of money in the process.”

While the awards focus on performance over the past decade, Morningstar takes into consideration other factors, including the fund manager’s strategy, approach to risk, size of the fund, and stewardship. Both individual fund managers and management teams are eligible, and being a previous winner of the Morningstar Fund Manager of the Year award isn’t a prerequisite. Morningstar’s fund analysts select the Fund Manager of the Decade award winners based on Morningstar’s proprietary research and in-depth evaluation.

For Morningstar’s article about the winners, go to: <http://www.morningstar.com/goto/fmod>.

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About Morningstar, Inc.

Morningstar, Inc. is 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 advisors, and institutions. Morningstar provides data on more than 325,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 4 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. The company has operations in 20 countries and minority ownership positions in companies based in two other countries.

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