

Morningstar Analyst Rating and Global Fund Report

Karen Dolan, CFA, Director of Fund Analysis



Investors buy good funds, but assemble bad portfolios.

Investor Shortfall by Category



■ Asset-Weighted 10-year Total Return
■ Asset-Weighted 10-year Investor Return

Return Lost to Poor Timing

1.25%

Asset-weighted investor shortfall for all open-ended funds
over a ten-year period through 12/31/2010

The Cycle of Fear and Greed

90% Gain = \$5 Billion Loss

US investors lost \$5 billion in real-estate funds between December 1999 and December 2008. The average cumulative total return for real-estate funds over that period was over 90%.

Morningstar's Response

Moving Beyond Past Performance

QQQQQQ

QQ

"Achievement" Test

Gold

Silver

Bronze

"Aptitude" Test

Morningstar Analyst Rating

Gold

Silver

Bronze

Neutral

Negative

Forward Looking. Comprehensive. Investor-Focused.

The Five Pillars



The Five Pillars

Performance

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



The Five Pillars

People

How talented are the fund's managers?



The Five Pillars

Portfolio

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



The Five Pillars

Parent

What priorities prevail at the firm? Stewardship or salesmanship?



The Five Pillars

Price

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



Global Fund Report

Morningstar Analyst Rating | Release Date: 07/26/2011

Mutual Global Discovery

Class A | TEDX

Investment Category: World Stock
Category Index: MSCI World NR USD
Total Assets: 26,296 MM USD
 inception Date: 11/05/96
Shareable: USA
Currency: USD
Morningstar Rating: ★★★★★

Style Map: [World Stock Chart]

Performance as of 6/30/11:
Return of \$100K: 10.18%
Risk: 18.26%
Category: 11.56%
Index: 10.00%

Regional Exposure:
Americas: 45%
Europe: 31%
Asia & Australia: 24%

People:
Peter Langeman: 12.59
Philippe Brugnot: 13.59
Timothy Rankin: 12.16
Total Named Managers: 3

Is the pendulum swinging at Mutual Global Discovery? Line 3

Bradley B. Hughes
CFA

Morningstar Analyst Rating

June 6, 2011

Morningstar Pillars

Process | page 2-3

Performance | page 4

People | page 5

Parent | page 6

Price | page 7

The Morningstar Analyst Rating

Morningstar's Analyst Rating is based on the fund's quality of its investment process and its ability to outperform its benchmark over the long term on a risk-adjusted basis. The Morningstar Analyst Rating is a credit rating on a scale of 1 to 5.

★★★★★

Feb. 23, 2011 | Mutual Global Discovery continues slow change, but investors can count on its chairman.

At a fundamental level, it's business as usual at this flexible global value fund. That is, the management team, which recently added Timothy Rankin, who came to Mutual Series in mid-2010 with small- and mid-cap expertise, continues to look at the market's undervalued areas and seize up opportunities when it sees cheap valuations. Rankin and co-managers Philippe Brugnot and Peter Langeman pay little heed to index weightings and can invest across the globe, market-cap ladder, and capital structure. They can also hold cash.

But the portfolio's makeup seems to be changing, albeit gradually. For example, the fund's stake in health-care stocks, which currently equals 11% of total, has risen to 11% of the portfolio, up from around 7% at the end of 1990 and representing its highest level since the mid-1990s. Within health care, the managers have picked stocks from a variety of industries, includ-

ing pharmaceutical Pfizer, biotech Genzyme and Amgen, and medical devices firms Medtronic and Zomedica Holdings, among others.

With the notable push into health care comes a side effect—an increase in U.S. stocks. Global Discovery is the most flexible in the Mutual Series stable in its geographic makeup; its portfolio can range from 0% foreign stocks to 100% in U.S. stock and fell below 10% of assets in early 2008, as at the end of January 2011, it had reached more than 36%. (Other U.S. stocks, such as Time Warner, have also been added.) Sales of some of the fund's old consumer goods favorites have made room for the new additions. While tobacco stocks maintain their prominence here, once-top picks Carlsberg and Pernod Ricard have been reduced, while Danone has been sold altogether.

Although the portfolio has shifted, investors can expect the fund to behave as it has, offering lower-risk exposure to global stocks. Over the long term, that profile has generated superior results.

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Morningstar Analyst Rating

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Mutual Global Discovery TEDX

Process: Positioning

The fund is managed by the team on a very consistent investment philosophy. The fund is managed by the team on a very consistent investment philosophy. The fund is managed by the team on a very consistent investment philosophy.

Mutual Global Discovery TEDX

Asset Allocation

Asset Class	Weight
U.S. Stocks	36%
Foreign Stocks	64%

Sector Allocation

Sector	Weight
Health Care	11%
Technology	10%
Financial	8%
Consumer Goods	7%
Industrials	6%
Energy	5%
Telecommunications	4%
Real Estate	3%
Utilities	2%
Materials	2%
Other	1%

Discovery TEDX

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Style Map: [World Stock Chart]

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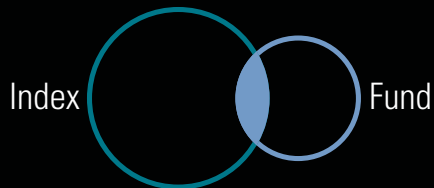
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Global Fund Report: Portfolio Data Highlights

Index Overlap

Fidelity Low-Priced Stock vs Russell 2000



Circle size represents number of holdings.

Number of Equity Holdings

Fund Index 873
Index 1,956

Fund Overlap with Index

Holdings Overlap 171
Asset Overlap 6.7%

Morningstar Direct® | Release Date: 03 July 2014

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Mutual Global Discovery Class A | TEDIX

Morningstar Analyst Rating

Process: Portfolio

Morningstar Category
World Stock

Category Index
MSCI World NR USD

Cash is down, health-care is up.

Process Pillar ▲ Positive

June 6, 2011 | The portfolio has had some notable changes since its management team took the reins nearly 18 months ago. The continuing decrease in the fund's cash level from 40% of assets in July 2009 to less than 10% at the end of March 2011 is notable. While some may think that curious considering management's value-

sensitivity and global markets' general upswing, the fund's purchases have primarily come from out-of-favor areas. Notably, its health-care stake has continued to rise, though gradually, and at nearly 13% of stocks, it's as high as it's been since the mid-1990s and also represents an overweight compared with both its MSCI World Index benchmark and its world-stock peers. As of the end of March 2011, Pfizer, for example, sat among the top holdings, reflecting management's willingness to look past current headwinds—potential health-care reform and near-term pat-

ent expiry—when valuations are cheap enough. Meanwhile, much remains the same. Although some tobacco stocks have been trimmed as their valuations move closer to management's intrinsic-value estimates, they remain important parts of the portfolio thanks to their cash-rich operations and dividend and share-buyback programs. The fund remains diversified across around 100 positions. Overall, its risk and style profiles have not changed.

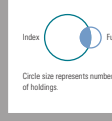
—Bridget Hughes CFA

Similarity to Index

Overlap and Tracking Error



Index Overlap



Number of Equity Holdings
Fund Index 873
Index 1,956
Fund Overlap with Index Holdings Overlap 171
Asset Overlap 6.7%

Largest Common Holdings

Common Holding	Fund %	Index %
Common Holding 1	NA	NA
Common Holding 2	NA	NA
Common Holding 3	NA	NA
Common Holding 4	NA	NA
Common Holding 5	NA	NA

Portfolio Holdings 31/03/11

Equity Holdings	Bond Holdings	Asset % in Top 10 Holdings	Turnover Ratio (Reported)	Share Turnover	Average Holding Period
117	NA	16.15	33.79%	NA	NA

Top 10 Holdings	Country	Assets %	31/12/10	Index	First Bought	Avg Days Trading YTD	Morningstar Rating for Stocks	Economic Moat	Sector	Style	P/E	1-Yr Total Ret %
British American Tobacco PLC	GB	1.97	NA	NA	02/00	00	Not Rated	Wide	Consumer Defensive	19.1	NA	NA
Vodafone Group PLC	GB	1.83	NA	NA	04/09	NA	Not Rated	Narrow	Communication Services	8.1	NA	NA
Lorillard, Inc.	NA	1.83	NA	NA	NA	NA	Not Rated	NA	NA	NA	NA	NA
Permot Ricard NV	FR	1.62	NA	NA	02/05	NA	Not Rated	Narrow	Consumer Defensive	17.5	NA	NA
Imperial Tobacco Group PLC	GB	1.46	NA	NA	02/01	NA	Not Rated	Narrow	Consumer Defensive	14.8	NA	NA
Royal Dutch Shell PLC	GB	1.64	NA	NA	04/06	NA	Not Rated	Narrow	Energy	9.1	NA	NA
Pfizer, Inc.	US	1.63	NA	NA	04/04	NA	★★★★	Wide	Healthcare	19.7	NA	NA
Daimler AG	NA	1.57	NA	NA	NA	NA	Not Rated	NA	NA	NA	NA	NA
Vinci	NA	1.52	NA	NA	NA	NA	Not Rated	NA	NA	NA	NA	NA
Microsoft Corporation	US	1.48	NA	NA	NA	NA	★★★★	Wide	Technology	NA	NA	NA

Change since last portfolio: ▲ Increase ▼ Decrease ■ New

New Holdings	Largest Purchases	% Assets	Sector	Eliminated Holdings	Largest Sales	% Assets	Sector	Largest Positive Changes	Current %	Prior %
New Holding 1	NA	NA	Eliminated Holding 1	NA	NA	NA	NA	Koninklijke Ahold NV	NA	NA
New Holding 2	NA	NA	Eliminated Holding 2	NA	NA	NA	NA	Carlberg AS	NA	NA
New Holding 3	NA	NA	Eliminated Holding 3	NA	NA	NA	NA	Vinci	NA	NA
New Holding 4	NA	NA	Eliminated Holding 4	NA	NA	NA	NA	ThyssenKrupp AG	NA	NA
New Holding 5	NA	NA	Eliminated Holding 5	NA	NA	NA	NA	CRH Plc	NA	NA

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Global Fund Report: Performance Data Highlights

Rolling Returns Summary

CGM Focus



Morningstar Direct™ | Release Date: 03 July 2014

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Mutual Global Discovery Class A | TEDX

Morningstar Analyst Rating

Performance

Morningstar Category
World Stock

Category Index
MSCI World NR USD

The fund has built a good record of cumulative outperformance against the category.

Performance Pillar ▲ Positive

June 6, 2011 | The fund has built a solid record against its competitors since its Nov. 1996 launch. Although the fund was off to a shaky start—not surprising given its value approach kept it largely out of hot tech and telcom stocks in the late 1990s—it has handily beaten the competition in the much more-difficult equity environment since

2000. Indeed, its resiliency in down markets has made a huge difference in its overall results; thanks to its relative strength in 2001, 2002, and 2008 (when even its cash-heavy portfolio lost more than 26%), it has produced an annualized 10-year return of 8.34% through the end of May 2011. That's more than double the MSCI World Index's 3.82% gain and well ahead of the 4.76% world-stock category average. Although most of its track record is directly attributable to previous managers, it also reflects the effectiveness of Mutual Series' approach. That cautious, value-

tion-aware, long-term approach also contributes to a milder level of volatility, though it doesn't keep the fund from suffering dry spells. It tends to lag its peers in sharp rallies, such as the late 1990s and 2009. Investors can expect the fund to continue this pattern of behavior.
—Bridget Hughes CFA

Morningstar Rating and Risk

Period	Lead Adj. Return %	Morningstar Risk vs Cat.	Morningstar Risk vs Ind.	Morningstar Rating
3-Years	NA	High	Low	★★★★
5-Years	NA	High	Low	★★★★
10-Years	NA	High	Low	★★★★
Overall Rating				★★★★

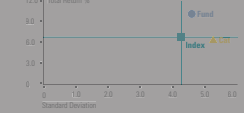
Rolling Returns Summary as of 08/31/11

58.7%	76.5%
2.8	3.5
0.9	2.4
35.8	8.2

12-Month Rolling Periods
109 Observations, 10 Years

36-Month Rolling Periods
69 Observations, 10 Years

3-Year Return and Risk Analysis as of 04/30/11

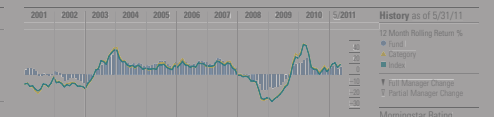


Maximum Drawdown

Fund	Category	Index
-27.21	-49.8	-50.04
08/2008	06/2008	06/2008
02/2009	02/2009	02/2009
9	9	9

Ratios

3-Year Ratios	Fund	Category	Index
Standard Deviation	12.81	NA	NA
Sharpe Ratio	0.67	NA	NA
R-Squared	NA	NA	NA
Beta	NA	NA	NA
Alpha	NA	NA	NA



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5/2011
10.46	10.67	10.71	10.67	10.50	10.38	10.09	10.14	10.80	10.85	11.65	
9.50	10.20	5.56	5.14	2.89	3.99	9.07	4.82	13.83	8.83	3.56	
1.85	2.16	0.46	1.23	1.08	0.16	4.37	9.51	-0.14	1.11	-0.64	
1.05	-0.05	1.46	0.89	0.46	-0.34	2.11	-0.42	7.90	2.29	0.34	
5.89	4.68	3.48	2.43	3.73	4.76	5.26	5.25	6.01	3.33		
3.61	5.52	2.08	2.72	0.84	-0.77	3.81	-0.43	7.82	5.50		
0.59	0.48	0.37	0.26	0.39	0.48	0.53	0.55	0.59	0.35		

Trailing Returns as of 04/30/11

Period	Total Ret %	Investor Ret %	% Rank	Cat	Ind.
1-Year	10.28	NA	36	NA	NA
3-Years	6.06	NA	4	NA	NA
5-Years	3.23	NA	7	NA	NA
10-Years	—	NA	—	NA	NA
Tenure 12/09	NA	NA	—	NA	NA
Inception 10/05	NA	—	—	NA	NA

3-Year Performance Attribution as of 03/31/11

Attribution %	Fund	Category	Median	Range 90% of Category
40				
35				
30				
25				
20				
15				
10				
5				
0				

Factor (Cumulative Returns)

Factor	Fund	Category	Median	Worst	Best
Sector Allocation	NA	NA	NA	NA	NA
Country Allocation	NA	NA	NA	NA	NA
Stock Selection	NA	NA	NA	NA	NA
Fee	NA	NA	NA	NA	NA
Total Attribution	NA	NA	NA	NA	NA

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Global Fund Report: Parent Data Highlights

Assets by Morningstar Rating

Fidelity Funds



Morningstar Analyst Rating
Morningstar Analyst Rating

Mutual Global Discovery

A Shares | TEDIX

Parent

Morningstar Category: World Stock | Category Index: MSCI World NR USD

Franklin Templeton is a major asset manager worldwide. Overall, it acts in investors' best interests.

Parent Pillar: Positive

Feb. 3, 2010 | Franklin Templeton has created a culture that blends autonomy, efficiency, and a prudent investing style into one smoothly running fund family. The firm has amassed an impressive portfolio of managers and has aggressively built an in-house bench of analysts. That has helped it to build a diverse stock- and bond-fund lineup that includes plenty of well-regarded options. When it comes to personnel, Franklin has created an environment where people tend to stick around, which is one of the strongest signs of a positive corporate culture. The group's compensation structure primarily bases managers' bonuses on the performance of their portfolios versus their respective peer groups or indexes over the trailing one-, three-, and five-year periods. Bonuses come in three forms: cash, restricted stock in Franklin Templeton, and fund shares. The restricted stock and fund shares vest over time. This scheme offers a good mix of immediate monetary reward and incentive to stick around, plus it encourages fund managers to act in the interests of shareholders over the long term. The firm's fees are generally reasonable in the US but a bit expensive on their offshore range. The group was involved in the 2003-04 mutual fund trading scandal. Although that tarnished the firm's reputation, the charges have since been settled and the firm has taken steps to discourage such practices going forward.

—Thomas Lancerreau CFA

Assets By Region, By Domicile Bill USD

Region	Assets Bill USD
Americas	\$375.0
Europe & Africa	\$140.0
Asia & Australia	\$1.0

Flows and Growth United States

Year	NA	EA	AS	NA	EA	AS	NA	EA	AS	NA	EA	AS
2001	25.9	17.6	12.1	21.5	6.2	3.8	23.8	82.8	64.0	18.1		
2002	102.3	125.5	143.1	168.4	178.8	197.0	209.1	326.3	417.3	450.0		
2003	36.8	17.2	8.6	15.0	3.7	2.1	12.1	39.6	19.6	4.3		
2004	2.1	2.3	2.3	2.3	2.1	2.0	2.5	3.3	3.9	4.0		

Asset Class Breakdown United States

Asset Class	Assets Bill USD	Assets %
US Stock	4.8	1.3
Non-US Stock	5.1	1.3
Balanced	1.6	0.4
Taxable Bond	405.7	99.2
Municipal Bond	1.4	0.3
Alternative	2.2	0.5
Commodities	28.0	6.2
Money Market	1.1	0.2
Total Assets	449.9	

Fund Family Details United States

Morningstar Rating Breakdown

Rating	Assets %
★★★★★	23.7
★★★★☆	26.9
★★★☆☆	43.6
★★☆☆☆	4.5
★☆☆☆☆	0.3
Not Rated	1.0
Success Ratio	43%

Fee Quintile Breakdown

Fee Quintile	Share Class %
Low	17.1
Below Average	13.3
Average	16.0
Above Average	11.2
High	12.1
Not Assigned	30.3

Manager Tenure

Tenure Years	Assets %
15+	35.9
12-15	0.5
9-12	0.4
6-9	9.9
3-6	23.3
0-3	9.7
Retention Rate (5-Year)	NA%

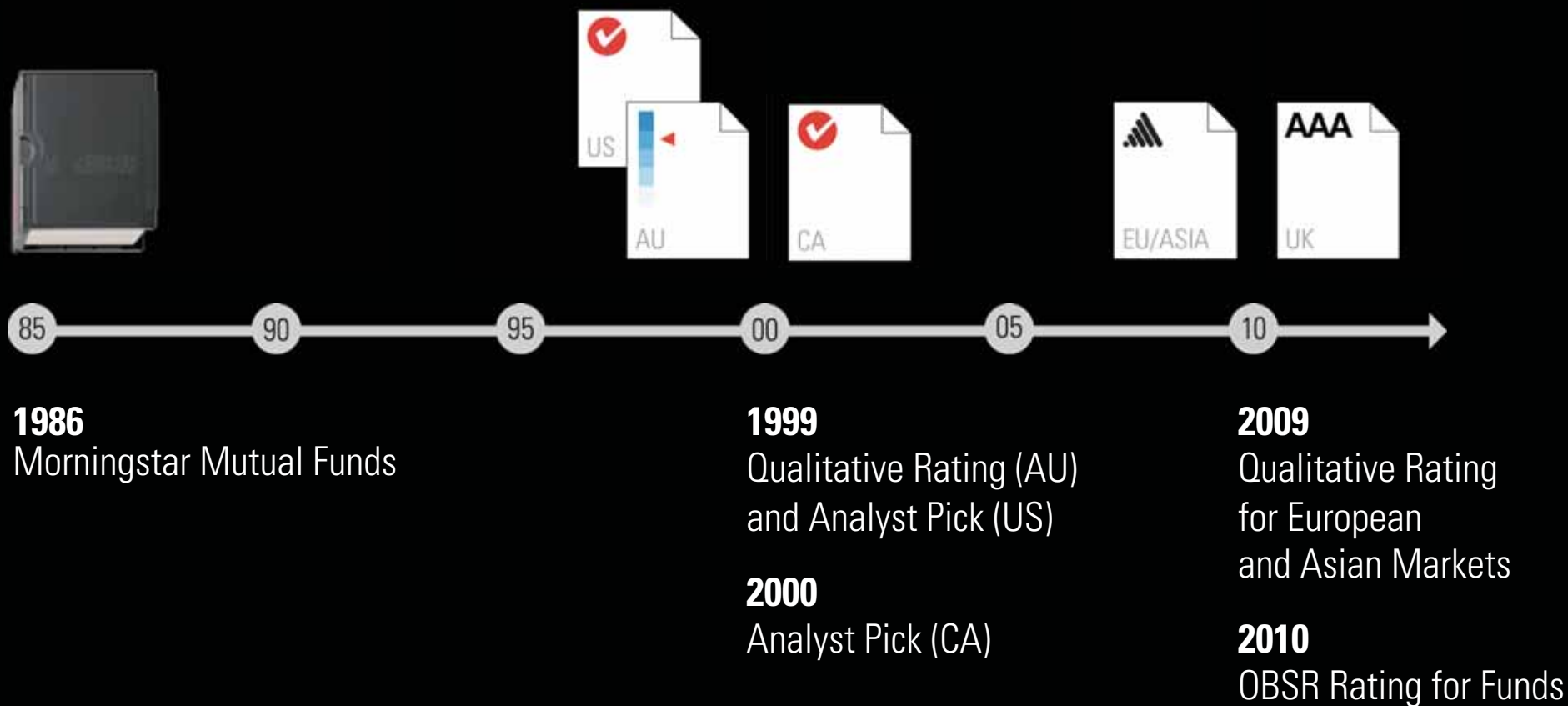
Manager Ownership

Investment USD	Assets %
Over 1 mil	53.3
500K-1 mil	0.0
100K-500K	3.4
50K-100K	10.9
10K-50K	0.0
0-10K	1.5
None	30.7

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Depth and Breadth of Analysis

Long History of Qualitative Research




Independent Model



Analyst Team Owns Coverage Decisions

Global Scope, Local Expertise



100

Analysts

Global Scope, Local Expertise



4,000

Funds

Global Scope, Local Expertise

\$9 trillion

in Investor Assets

Breadth of Coverage: U.S. Spotlight



1,800

Funds

Breadth of Coverage: U.S. Spotlight

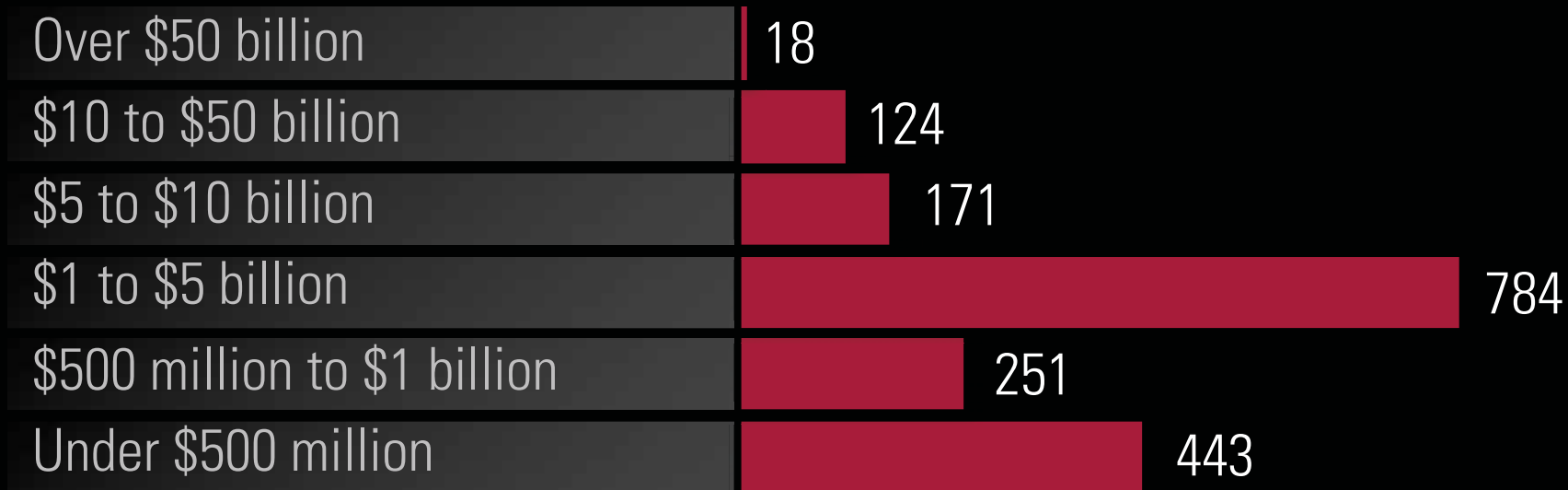


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Fund Families

Breadth of Coverage: U.S. Spotlight

Fund Size



Conclusion

The gatekeeper community has helped drive investors to better funds, but the real opportunity lies in helping investors achieve better outcomes.

Conclusion

Morningstar is proud of its relationship with this community in seeking better interpretations of data and effective client communications.

Conclusion

If the investor wins, we all win.