



a Morningstar company

In June 2011, Morningstar announced it was launching a new global analyst rating system for funds and a new worldwide uniform approach for global fund research reports on the funds covered.

In the UK, this represented the culmination of the fund research and ratings harmonisation process between OBSR and Morningstar, our parent company.

Initially our plan was to continue to use the AAA, AA, and A rating scale labels, which has traditionally been used by OBSR. However, in seeking to introduce a rating scale that is readily understood by investors worldwide, and that cannot be confused with credit ratings issued by the credit rating industry, Morningstar has decided to adopt a new naming convention for its global Analyst Rating scale. Although potential confusion with credit ratings is not a primary concern here in the UK, in our goal to create a global standard, it is therefore sensible for OBSR to adopt the new ratings scale and icons.

The chart below shows how the rating labels will be changed from the current system to Gold, Silver, Bronze:

Current OBSR Rating Scale	Morningstar/OBSR 2012 Rating Scale
AAA	Gold
AA	Silver
A	Bronze
	Neutral
	Negative

This new scale maintains the three levels of positive ratings and the methodology you've come to rely on from OBSR and that has formed the basis for the new global analyst ratings system.

We will continue to base our fund ratings and reports on our analyst team's conviction about a fund's ability to outperform its peer group and/or relevant benchmark on a risk-adjusted basis over the long term.

Morningstar will be launching the new ratings globally in the fourth quarter of 2011. We understand that it will take some time for you to make this adjustment to your marketing collateral and processes, and OBSR will therefore transition to the new scale in the first half of 2012. This will ensure we have plenty of time to work with you through this change.

We will be following up with you on the implementation of these changes in the coming weeks, and can assure you of our full attention to ensure a smooth transition to the new ratings scale without disruption to your business.

Thank you for your continued support and please feel free to contact us with any questions.