

March 23, 2004

Morningstar announces today the first-quarter rebalancing for its family of U.S. market indexes. In order for the Morningstar Indexes to capture the most current picture of the market, rebalancing is performed on a quarterly basis to reflect only truly investable shares. The process of rebalancing involves adjusting the number of free float shares for each constituent.

Highlighted here are the index constituents with the largest adjustments in the number of free float shares at rebalancing:

- Bermuda-based Accenture (ACN) increased the number of its investable shares to 76% from last quarter's 60% availability. The change in free float resulted from employees selling shares from the Stock Employee Compensation Trust in the company, which provides consulting services to the technology and financial services industries.
- XM Satellite Radio Holdings Inc. (XMSR) shares were also adjusted this quarter to reflect General Motors Corporation's shrinking stake in the company. The free float increased to 91% from 85% for the audio entertainment and information programming corporation.

At rebalancing, Morningstar also incorporates recent IPOs to the Morningstar Indexes if the IPO qualifies as a constituent by the last trading day of the first month of a quarter and it has a known investment style. Four IPOs met these criteria at the time of rebalancing:

- Dallas-based Kronos Worldwide Inc. (KRO), an international producer of titanium dioxide pigments, qualified for inclusion in the Morningstar Mid Core Index when the company went public on December 12, 2003. Since the offering, the stock's price has jumped nearly 80%.
- Aspen Insurance Holdings Limited (AHL) debuted on the NYSE on December 4, 2003. The company, which is now part of the Morningstar Mid Growth Index, sells commercial property and liability insurance, as well as reinsurance, through a series of brokers.
- First Marblehead Corp. (FMD), which outsources private services for educational lending in the United States, has been integrated in the Morningstar Mid Growth Index since its October 2003 IPO.
- Tempur-Pedic International Inc. (TPX) has been incorporated into the Morningstar Mid Growth Index after the company was unveiled to investors on December 18, 2003. Tempur-Pedic manufacturers and markets pillows and mattresses through channels including retailers, Internet, and health-care providers.

Morningstar uses free float values for component weights in each index. Free float is defined as a company's outstanding shares adjusted by block ownership. Adjustments are made if a particular entity owns 5% or more of the company, but exclusions are made for the holdings of institutional investors, such as mutual funds or pension fund holdings. Using the free float instead for full capitalization improves the investability of the index.

For a complete list of securities in the Morningstar U.S. Market Index and their float figures, send an e-mail to indexes@morningstar.com.