

Sept. 20, 2004

Morningstar today announced several changes in the composition of its family of indexes for the third quarter of 2004. The Morningstar Indexes track the U.S. market by capitalization and investment style and are based on the proprietary methodology of the Morningstar Style Box™.

The following index constituents represent the largest adjustments in the number of free float shares at rebalancing:

- Station Casinos Inc (STN), a firm that owns and operates gaming complexes in the Las Vegas area, increased its free float from 55 percent to 73 as company directors and officers lowered their stakes in the company.
- Plains Exploration & Production (XPX), an oil and gas company, saw its free float increase from 87% to 100% after EnCap Investments L.P., a private equity firm that invests in oil and gas companies sold the majority of its shares.

Morningstar added four recent IPOs/Spin-offs into its indexes including:

- Google (GOOG), the most closely watched IPO of the year, was added to the Morningstar Large Growth Index. Google went public on Aug 19, 2004, and its shares rose 18 percent over its \$85 offering price in its initial day of trading
- Genworth (GNW), which garnered the highest IPO value of the year with proceeds of roughly \$2.8 billion, was added to the Morningstar Large Value Index. The General Electric insurance spin-off's share price has jumped nearly 20% since its debut.
- Cabela's (CAB), the leading specialty retailer of hunting, fishing, camping, and related outdoor merchandise, qualified for the Morningstar Mid Growth Index after its listing on the NYSE priced at \$20 per share.
- Adesa (KAR) joined the Morningstar Mid Core Index after Allete, the automobile and energy-services firm, distributed its remaining equity interest in Adesa to shareholders in a spin-off transaction. Originally known as the Auto Dealers Exchange Services of America, Adesa operated as a public company from 1992 to 1996 as a unit of Allete.

This quarter, some other noteworthy changes to the Morningstar Indexes included:

- Bank One (ONE) was removed from the Morningstar Large Value Index on June 30 following the completion of J.P. Morgan Chase's (JPM) acquisition of the Midwest bank.

- Apollo Group Inc. (APO) converted all outstanding shares of University of Phoenix Online (UOPX) common stock into shares of Apollo Education Group Class A common stock effective Aug. 27, 2004. As a result, UOPX was removed from the Morningstar Small Growth Index. Apollo Group Inc. operates through its many subsidiaries, including The University of Phoenix Inc.
- Sonus Networks (SONS) was removed from the Morningstar Small Growth Index after it was delisted from the NASDAQ exchange after failing to file form 10-Q for the quarter ended June 30. The maker of voice hardware and software for long-distance carriers and internet service providers said it needed the additional time to complete a recent detailed financial review.

Every quarter, Morningstar rebalances its Indexes to reflect the most current corporate structure, shares outstanding, and free float for each constituent. Twice a year, in June and December, Morningstar reconstitutes each index by adding and removing stocks based on the most current fundamental data.

A complete list of securities in the Morningstar U.S. Market Index and their float figures can be found [here](#). Methodology details can be found [here](#). Questions regarding Morningstar Indexes should be directed to [indexes@morningstar.com](mailto:indexes@morningstar.com).