



News Release

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FOR IMMEDIATE RELEASE

Morningstar Introduces ‘Next Generation’ of Investable U.S. Equity Indexes

New Morningstar Market Barometer Helps Investors Understand Market Behavior

CHICAGO, Oct. 3, 2002—Morningstar, Inc., a global investment research firm, today introduced its family of 16 investable U.S. equity indexes throughout the company’s data and analytical products, including its popular investment Web site, Morningstar.com. The company also launched a new Web site today, <http://indexes.Morningstar.com>, where investors can track trailing, calendar and historical index returns and find more detailed information about the new Morningstar Indexes.

In conjunction with the launch of its indexes, Morningstar is introducing a new tool called the Morningstar Market BarometerSM, which graphically depicts the intensity of market moves using varying shades of red and green. Now, investors can understand at a glance what is driving overall market behavior for all market cap and style segments.

“Instead of seeking to replicate active management styles through broad and overlapping benchmarks, it’s time for a new generation of style-based indexes that clearly define the investable universe,” said Morningstar Managing Director Don Phillips. “Morningstar’s new indexes, which were built as an integrated system, identify the fundamental traits of individual securities and their associated performance patterns. Each index represents a unique set of stocks with distinct style and cap orientations that are designed to be used as building blocks for efficient portfolio construction and monitoring.”

Calculated in real-time, Morningstar Indexes track the U.S. equity market by capitalization and investment style using a comprehensive and non-overlapping approach based on the proprietary 10-factor Morningstar Style BoxTM methodology. Designed for asset allocation and performance measurement, Morningstar Indexes help investors to thoroughly assess style-related risk/return trade-offs.

Morningstar’s stock classification methodology is stylistically pure and reveals meaningful performance differences between growth and value. Morningstar’s indexes were designed to be fully investable and support cost-efficient portfolio management by incorporating the best practices in index construction. Offering broad market coverage targeted at 97 percent of the U.S. equity universe, the indexes are rules-based, free-float weighted, screened for liquidity, buffered to limit unnecessary turnover, rebalanced quarterly and reconstituted semiannually.

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Morningstar Introduces Indexes

Completely unique among style index providers, Morningstar Indexes include the 'core' stock style, in addition to growth and value. When neither growth nor value characteristics predominate, stocks are classified as core. Other index families classify all stocks as either growth or value, or split the market capitalization of a single stock between growth and value, or simply omit neutral stocks entirely from their indexes. Often considered "blue chip" holdings, Morningstar views core stocks as desirable for investing in their own right and worthy of a distinct classification to provide investors more options for asset allocation and diversification.

Morningstar Indexes and Ticker Symbols:

Index Name	Ticker
Broad Market Index	
Morningstar US Market SM Index	\$MSTAR
Cap Indexes	
Morningstar Large Cap SM Index	\$MLCP
Morningstar Mid Cap SM Index	\$MMCP
Morningstar Small Cap SM Index	\$MSCP
Composite Style Indexes	
Morningstar US Growth SM Index	\$MGRO
Morningstar US Core SM Index	\$MCOR
Morningstar US Value SM Index	\$MVAL
Style Indexes	
Morningstar Large Growth SM Index	\$MLGR
Morningstar Mid Growth SM Index	\$MMGR
Morningstar Small Growth SM Index	\$MSGR
Morningstar Large Core SM Index	\$MLCR
Morningstar Mid Core SM Index	\$MMCR
Morningstar Small Core SM Index	\$MSCR
Morningstar Large Value SM Index	\$MLVL
Morningstar Mid Value SM Index	\$MMVL
Morningstar Small Value SM Index	\$MSVL

In addition to <http://www.Morningstar.com> and <http://indexes.Morningstar.com>, Morningstar Indexes are available at <http://www.MorningstarAdvisor.com>; <http://DataLab.Morningstar.com>; and <http://www.Morningstar-mp.com>. They are also available through Morningstar Principia, the company's flagship software product. Morningstar's 10 European Web sites will include index information later this year.

About Morningstar, Inc.

Morningstar, Inc. is a global investment research firm that provides financial data, research, online advice, consulting services, and investment solutions for individuals, financial advisors, institutions, and the media worldwide. Morningstar is a trusted source of investment information and analysis for stocks, mutual funds, exchange-traded funds, closed-end funds, and variable annuities. Morningstar tracks nearly 100,000 securities worldwide.

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