

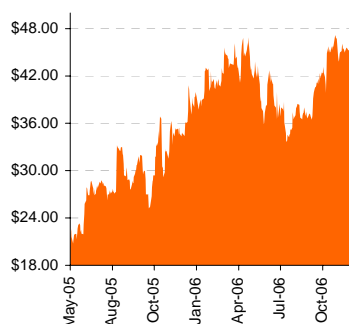
December 25, 2006



MORNINGSTAR, INC.

(\$45.33 / NASDAQ / MORN)

Price History since IPO



PORTFOLIO..... **GROWTH**

Reference Statistics

Sector Consumer Discretionary
Industry Publishing

Market Cap \$1,854.6 M

Average Volume 0.56 M shares
Float 10.2 M shares

P / E 38.44
ROE 20.11%
PE / ROE 1.91
P / B 7.73
EV / FCF 21.37

Dividend Yield NA
Screen Score Percentile

Fiscal Year End December
Next Report February 2007

Contact NA
Title NA
Number NA

Fair Value Range \$54 - \$74
Time Horizon 5 years
Expected CAGR 10.46 %

Investment Summary

Morningstar helps individual investors make sound investment decisions. The Company enriches its eight proprietary databases with additional research, design features, and technologies. In doing so, Morningstar has authored a consistent language across a wide range of investments that is accepted by individual investors, relied upon by financial professionals to communicate with individual investors and attract assets, and accepted by the largest financial institutions worldwide.

- Morningstar has weaseled its way into institutional wallets by befriending the end consumer: the individual investor.** The Company's star ratings, style boxes, and newer tools have become industry standards because of their appeal to individual investors. As a result of this appeal, financial professionals have also come to rely on Morningstar as a provider of value-added data.
- We believe Morningstar offers the some of the most comprehensive and uniform fundamental data.** Institutions are able to have a one-stop-shopping experience because of the Company's database that covers eight investment classifications. These classifications are organized, manipulated, and displayed in a simple fashion.
- We see several very attractive growth opportunities ahead and believe Morningstar has the potential to grow for a long time.** We believe the Company has substantial opportunity to expand its database coverage, reach investment advisors abroad, revolutionize the retirement market, develop risk management software, and introduce independent fixed income ratings.
- We love that the Company is ignored by the institutional investment community and that its products empower the little guy.** Given the Company's thin float, unorthodox investor relations policies, and short public life, Morningstar has not attracted much attention from Wall Street.
- We are a fan of Morningstar's business model.** Morningstar has already spent the money necessary to build its comprehensive database. Leveraging that fixed investment will produce substantial operating leverage, require little investment for upkeep, and generate impressive free cash flow. Furthermore, the Company generates a considerable amount of recurring revenue because of "sticky" products.
- MORN has a fantastic culture that permeates the organization and embraces independence, integrity, and creativity.**

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