MORNINGSTAR, INC.

FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 8/10/2006 For Period Ending 8/10/2006

<table>
<thead>
<tr>
<th>Address</th>
<th>225 WEST WACKER DRIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHICAGO, Illinois 60606</td>
</tr>
<tr>
<td>Telephone</td>
<td>(312) 696-6000</td>
</tr>
<tr>
<td>CIK</td>
<td>0001289419</td>
</tr>
<tr>
<td>Industry</td>
<td>Computer Services</td>
</tr>
<tr>
<td>Sector</td>
<td>Technology</td>
</tr>
<tr>
<td>Fiscal Year</td>
<td>12/31</td>
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</table>
FORM 4

CHECK THIS BOX IF NO LONGER SUBJECT TO SECTION 16.
Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the
Investment Company Act of 1940

1. Name and Address of Reporting Person
Phillips Donald James II

2. Issuer Name and Ticker or Trading Symbol
Morningstar, Inc. [MORN]

3. Date of Earliest Transaction (MM/DD/YYYY)
8/10/2006

4. If Amendment, Date Original Filed

5. Relationship of Reporting Person(s) to Issuer

☐ Director
☐ 10% Owner
☐ Officer (give title below)
☐ Other (specify below)
Managing Director

6. Individual or Joint/Group Filing

☐ Form filed by One Reporting Person
☐ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Date of Transaction</th>
<th>Trans. Code</th>
<th>Amount</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>8/10/2006</td>
<td>S (1)</td>
<td>100</td>
<td>$34.14</td>
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<tr>
<td></td>
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</tbody>
</table>

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>Title of Derivative Security</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Date Exercisable</th>
<th>Expiration Date</th>
<th>Title</th>
<th>Amount or Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Instr. 3)</td>
<td>(Instr. 3 and 4)</td>
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</tr>
</tbody>
</table>

Explanations of Responses:
(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 9, 2006.

Remarks:
Form 2 of 2

Reporting Owners

Phillips Donald James II
C/O MORNINGSTAR, INC.
225 WEST WACKER DRIVE
CHICAGO, IL 60606

X Managing Director

Signatures

/s/ Rachel Felsenthal, by power of attorney 8/10/2006