
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 18, 2010**

MORNINGSTAR, INC.

(Exact name of registrant as specified in its charter)

Illinois
(State or other jurisdiction
of incorporation)

000-51280
(Commission
File Number)

36-3297908
(I.R.S. Employer
Identification No.)

**22 West Washington Street
Chicago, Illinois**
(Address of principal executive offices)

60602
(Zip Code)

(312) 696-6000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On May 18, 2010, members of management of Morningstar, Inc. (the Company) will make the presentation attached as Exhibit 99.1 at its Annual Shareholders’ Meeting which will be held at the Company’s corporate headquarters in Chicago, Illinois at 9:00 a.m. (CST).

Non-GAAP Financial Measures

The presentation includes the following measures considered as non-GAAP by the Securities and Exchange Commission: free cash flow and consolidated revenue excluding acquisitions and foreign currency translations (organic revenue).

The Company presents these measures as supplemental information to help investors better understand trends in its business results over time. The Company’s management team uses free cash flow to evaluate the performance of its business. Free cash flow is not equivalent to any measure of performance required to be reported under U.S. generally accepted accounting principles, nor should this data be considered an indicator of the Company’s overall financial performance or liquidity. Moreover, the free cash flow definition the Company uses may not be comparable to similarly titled measures reported by other companies.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Annual Meeting Presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MORNINGSTAR, INC.

Date: May 18, 2010

By: /s/ SCOTT COOLEY
Name: Scott Cooley
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Annual Meeting Presentation.
	4



Meeting Agenda

1. Call to Order
 2. Introductions
 3. Business of Annual Meeting
 4. Management Presentations
 5. Business Presentations
 - Break
 6. Questions and Answers
 7. Adjournment of Meeting
-

Morningstar Overview

Joe Mansueto

Chairman and Chief Executive Officer

Today's presentations contain forward-looking statements. All statements made that are not historical facts are subject to a number of risks and uncertainties, and actual results may differ materially. Please refer to our most recent earnings release and our most recent Form 10-Q or 10-K for more information on the factors that could cause actual results to differ.

Today's presentations also contain non-GAAP financial measures. Please refer to the inside front cover and page 142 of our 2009 annual report posted in the Investor Relations section of our website at <http://corporate.morningstar.com> for a reconciliation to the applicable GAAP measures.

Please carefully read the legal disclaimer above.

Please refer to our 2009 annual report posted on our corporate website for reconciliations of non-GAAP financial measures to the applicable GAAP measures.

Morningstar Overview

2009 Highlights

Industry Landscape

Growth Strategies

2010 Initiatives

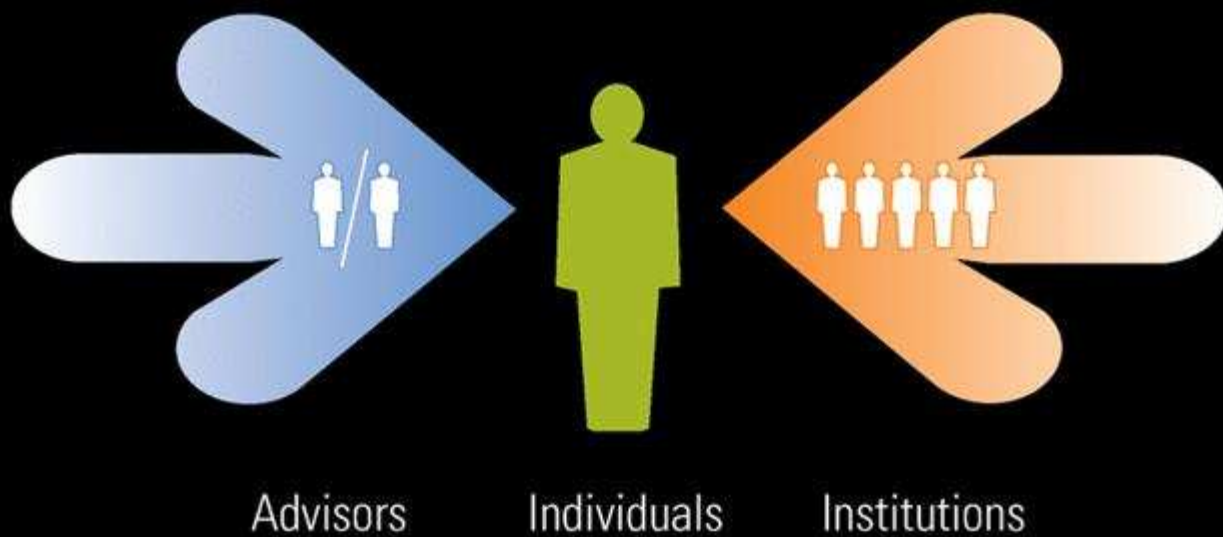
Recent Acquisitions

My talk today will cover five major areas:

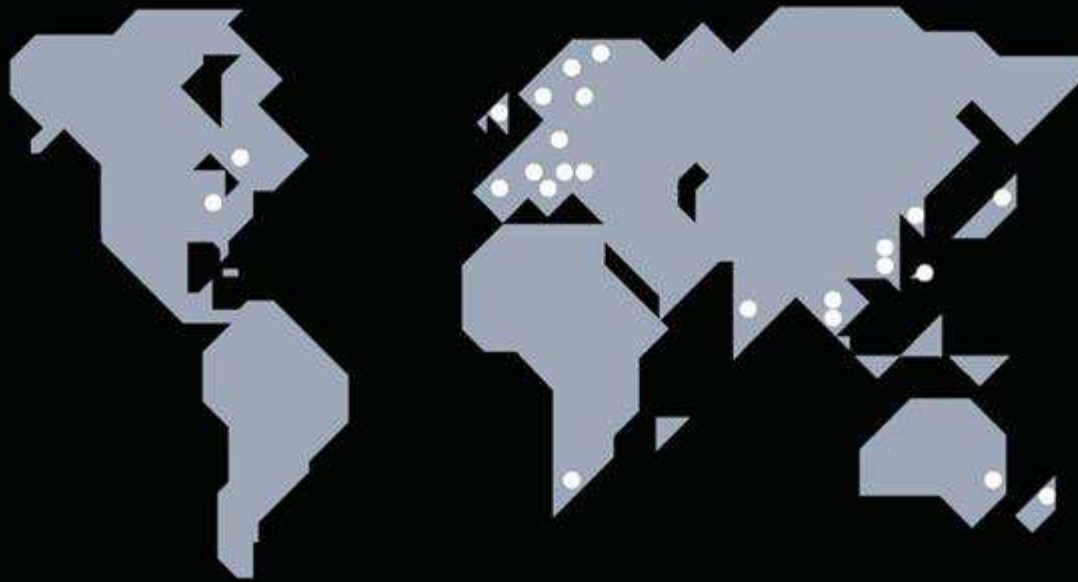
- 2009 highlights
 - Industry landscape
 - Growth strategies
 - Major initiatives for 2010
 - Recent acquisitions
-

Our mission is to create
great products that help investors
reach their financial goals.

Our mission is to create great products that help investors reach their financial goals. We take this mission very seriously and it frames everything we do as a company.



We have three main audiences: individual investors, financial advisors, and institutions. One of our core values is investors come first, and our work in other areas is also meant to support individual investors.



Serving

Investment Offerings



7.4 mil

245,000

4,200

350,000

Here's a snapshot of our company today. We reach about 7.4 million individual investors, 245,000 financial advisors, and 4,200 institutions. Our database includes extensive information on more than 350,000 investments (not including real-time data).

2009 Overview

Revenue

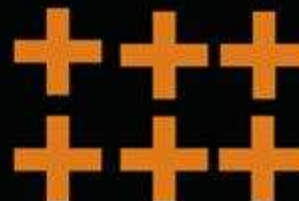
Operating
Income

Core Business

Acquisitions

↓4.7%

↓9.9%



2009 was a challenging year for us. Revenue was down 4.7% and operating income was down 9.9%. However, we saw a more encouraging trend in the second half of the year. We also continued investing in our core business and made six acquisitions during the year.

Industry Landscape

2009 Net Inflows / Outflows

(\$bil)



*excludes money market funds

Now I'll turn to the industry landscape. As you know, there was a strong market rebound in 2009, and asset inflows in most areas were positive. Net cash flows to mutual funds were up strongly, but it's worth noting that investors were still cautious and heavily favored fixed-income funds. We also saw continued investor interest in exchange-traded funds in 2009.

2009 Net Inflows / Outflows

(\$bil)



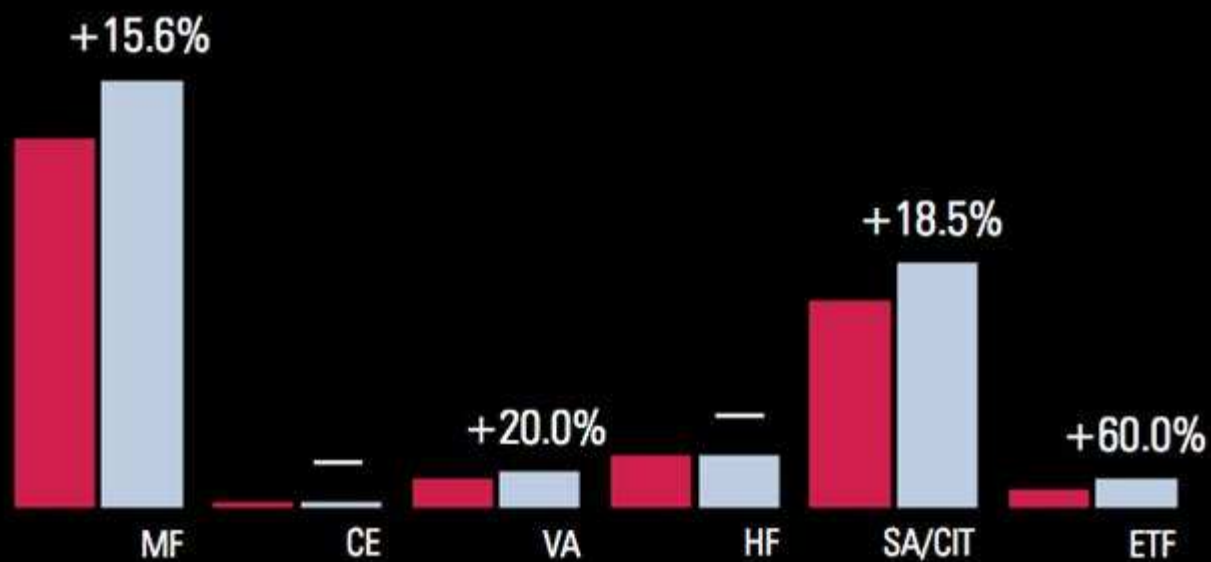
	MF	CE	VA	HF	SA/CIT	ETF
2008	(\$225.1)	\$0.3	\$154.8	(\$70.2)	(\$368.7)	\$177.2
2009	\$377.4*	\$3.9	\$45.8	(\$54.6)	\$4.3	\$104.1

*excludes money market funds

Inflows for most investment types were generally higher in 2009 versus 2008 because of stronger equity market performance.

2009 Assets

(\$tril)



2008	\$9.6	\$0.2	\$0.8	\$1.4	\$5.4	\$0.5
2009	\$11.1	\$0.2	\$1.0	\$1.4	\$6.4	\$0.8

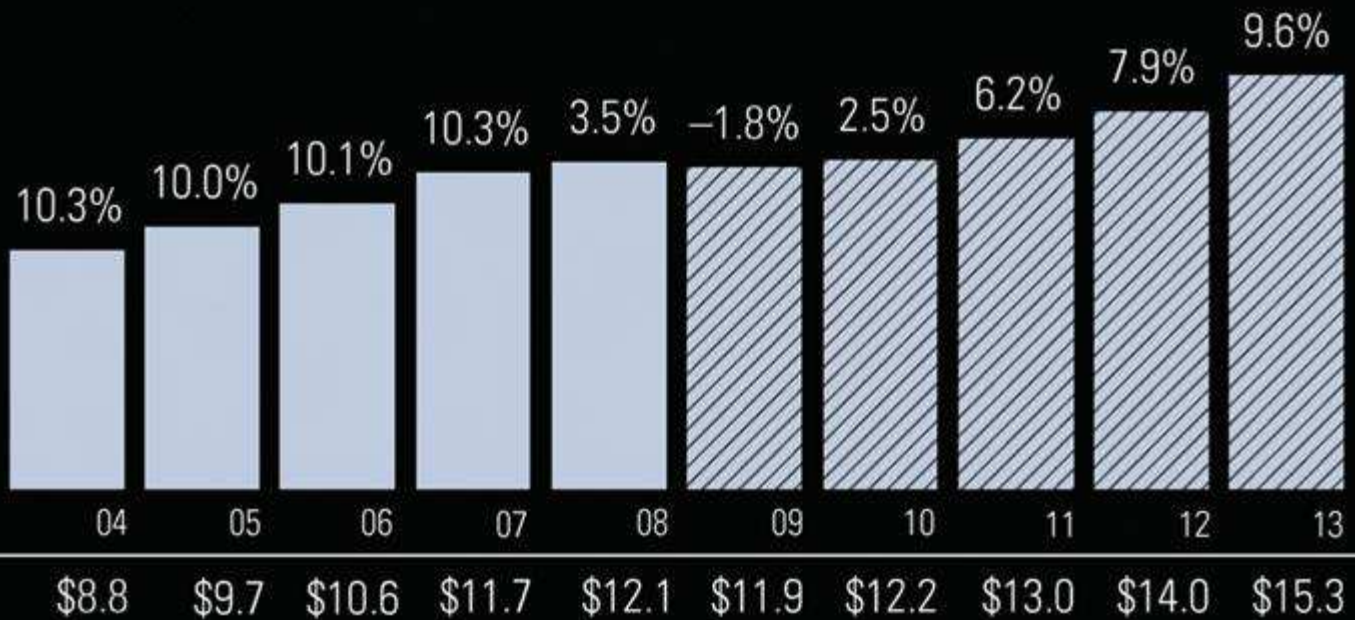
*excludes money market funds

While other investment types have also attracted investor interest, mutual funds remain a significant area, with about \$11.1 trillion in assets as of year-end 2009.

Spending on Financial Information

Spending (\$bil)
CAGR 8.8%

Projected Spending (\$bil)
CAGR 4.8%



*source: Veronis Suhler Stevenson

There is a large market for financial information, and we see many opportunities ahead of us. Veronis Suhler Stevenson estimates that spending on economic and financial information totaled about \$12 billion in 2009, so we have a small, 4% share of this market.

Current Environment

25.79	15.54	5.68	-0.43	8.64	12.34	-36.17	-31.47	-41.87	11.38	21.52	44.37	4.57	4.78	0.85
18.81	14.72	9.63	-5.52	1.95	19.70	-35.95	-38.73	-48.28	36.05	38.94	42.05	10.74	9.40	8.35
20.03	21.17	10.04	-8.15	-5.43	11.06	-31.67	-36.19	-39.92	40.28	39.86	32.98	13.24	12.22	7.73
06			07			08			09			YTD 05.10.10		

Morningstar Market Index Total Return

15.7%

5.9%

-37.0%

28.5%

5.2%

This page shows Morningstar's market barometer, a heat map of total returns for different areas of the Morningstar Style Box, a nine-square grid that provides a graphical representation of nine different investment styles. As you know there's been a lot of market volatility lately, but returns for the Morningstar U.S. Market index were positive through May 10, 2010.

The more positive market environment has helped our business recently, especially on the asset management side.

Growth Strategies

Next I'll turn to our five key growth strategies.

Morningstar's Growth Strategies



Focus on
three
platforms



Become a
global
leader in
funds
of funds



Continue
building
thought
leadership



Create
premier
global
database



Expand
internationally

We have five major growth strategies that guide how we invest our resources:

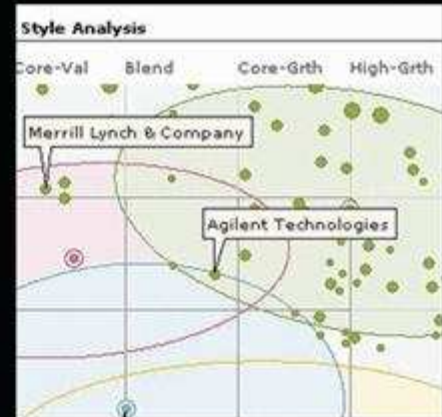
- Enhance our position in each of our key market segments by focusing on our three major Internet-based platforms;
 - Become a global leader in fund-of-funds investment management;
 - Continue building thought leadership in independent investment research;
 - Create a premier global investment database; and
 - Expand our international brand presence, products, and services.
-

Strategy: Focus on Three Platforms

Morningstar.com

Advisor Workstation

Morningstar Direct



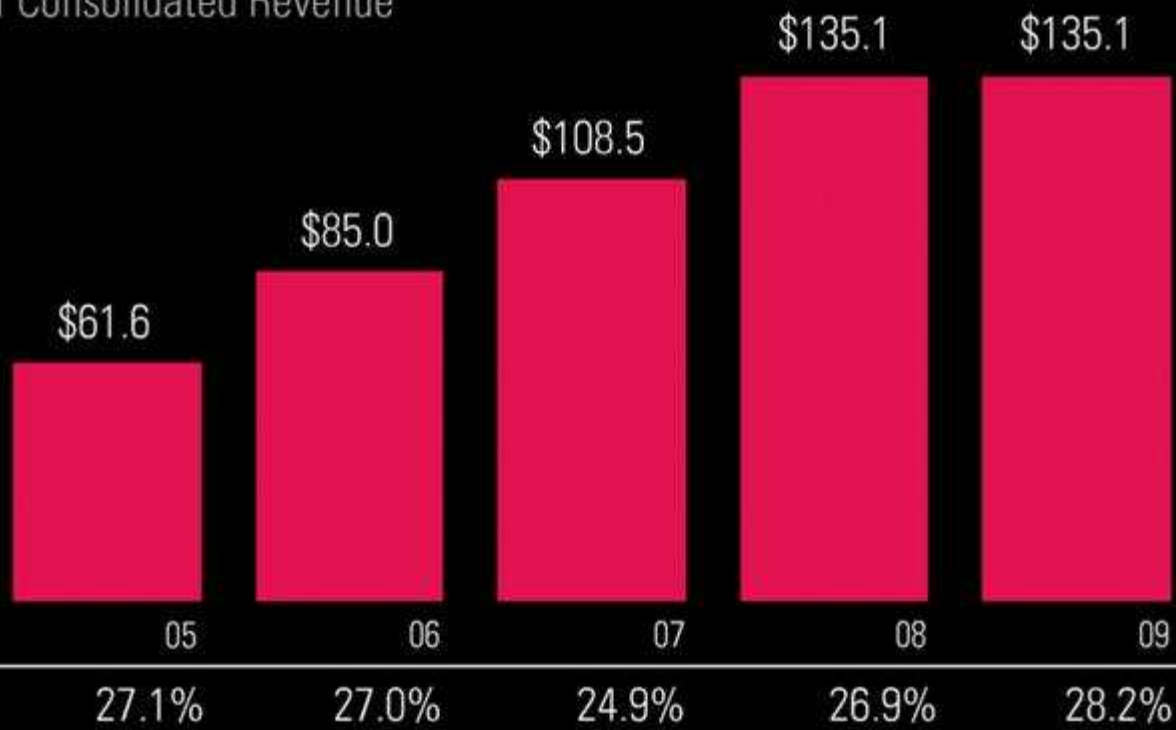
The first of our five strategies is to focus our product offerings on our three major platforms, which are geared toward individuals, advisors, and institutions.

In all three of these markets, we believe investors are looking for integrated solutions, and all of our platforms are designed to meet that need.

- Morningstar.com for individual investors, which includes Premium Membership services and Internet advertising sales
- Morningstar Advisor Workstation, which is our web-based planning system for financial advisors
- Morningstar Direct, which is our institutional research platform that provides access to the full range of our global data, research, and tools

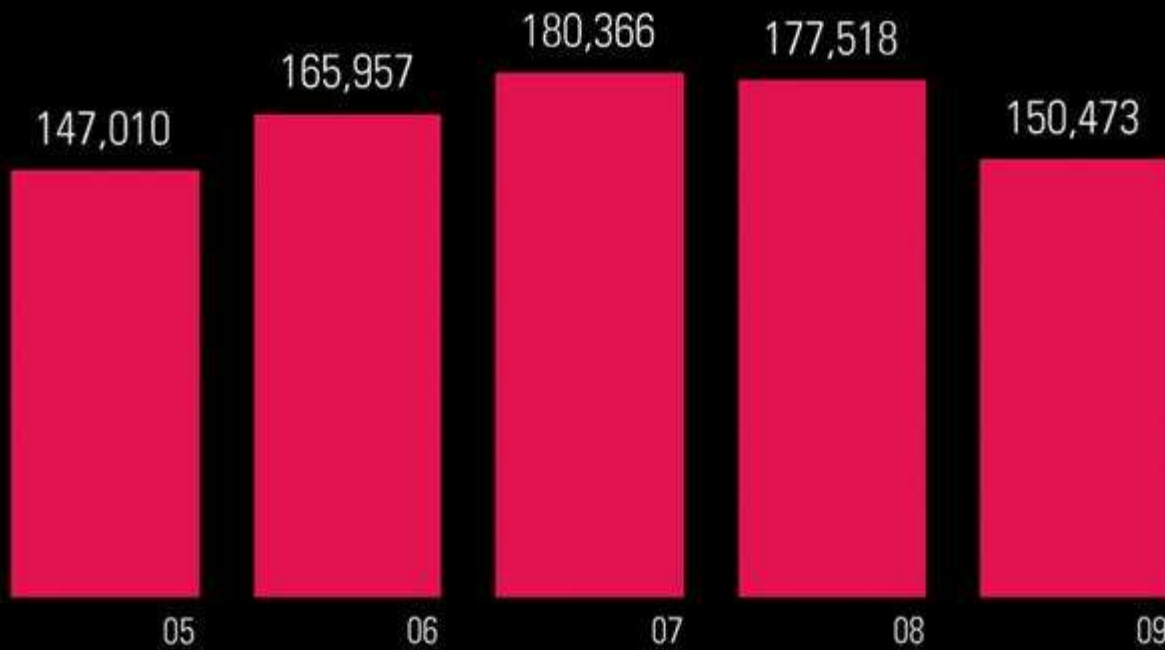
Combined Revenue from Three Platforms

Combined Revenue (\$mil) and
% of Consolidated Revenue



This graph shows combined revenue for our three platforms over the past five years, which made up about 28% of revenue in 2009.

U.S. Premium Memberships



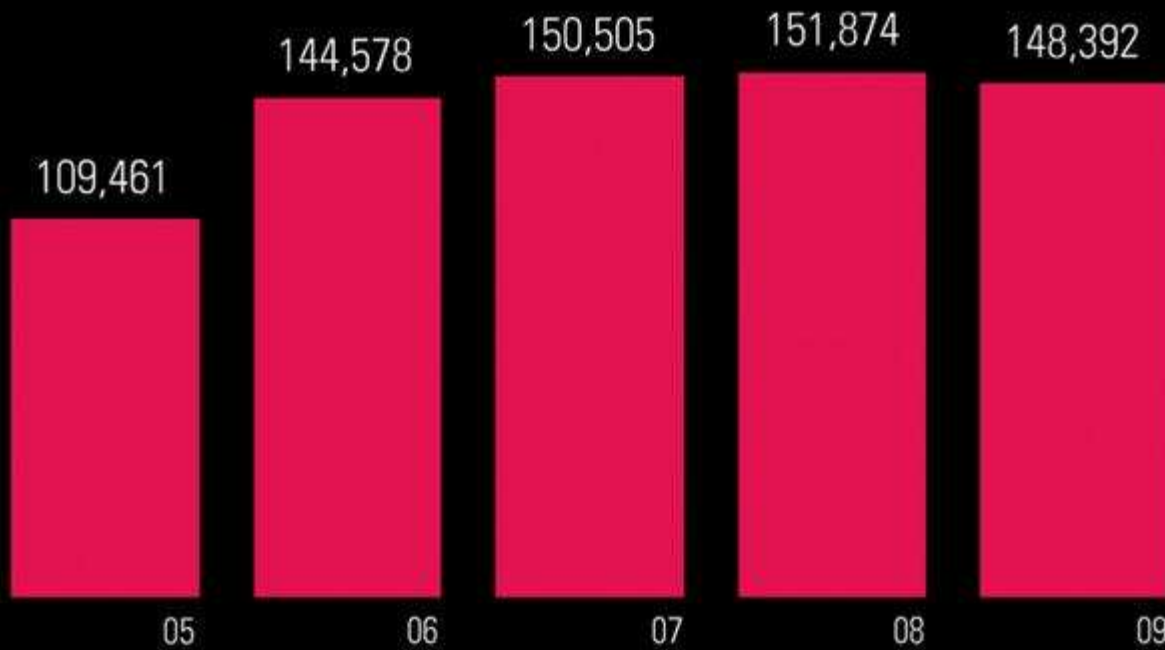
We had about 150,000 Premium Members on Morningstar.com in the United States as of year-end 2009. The total declined in 2009 because of continuing weakness in our new trial pipeline. During the economic downturn individual investors have been reluctant to pay for premium content.

On the positive side, we are seeing an upturn in Internet advertising, which makes up about one-fourth of our total revenue for the site.

We've been expanding the amount of content on the site and now have three times as many new articles on the site.

Morningstar Advisor Workstation

U.S. Licenses



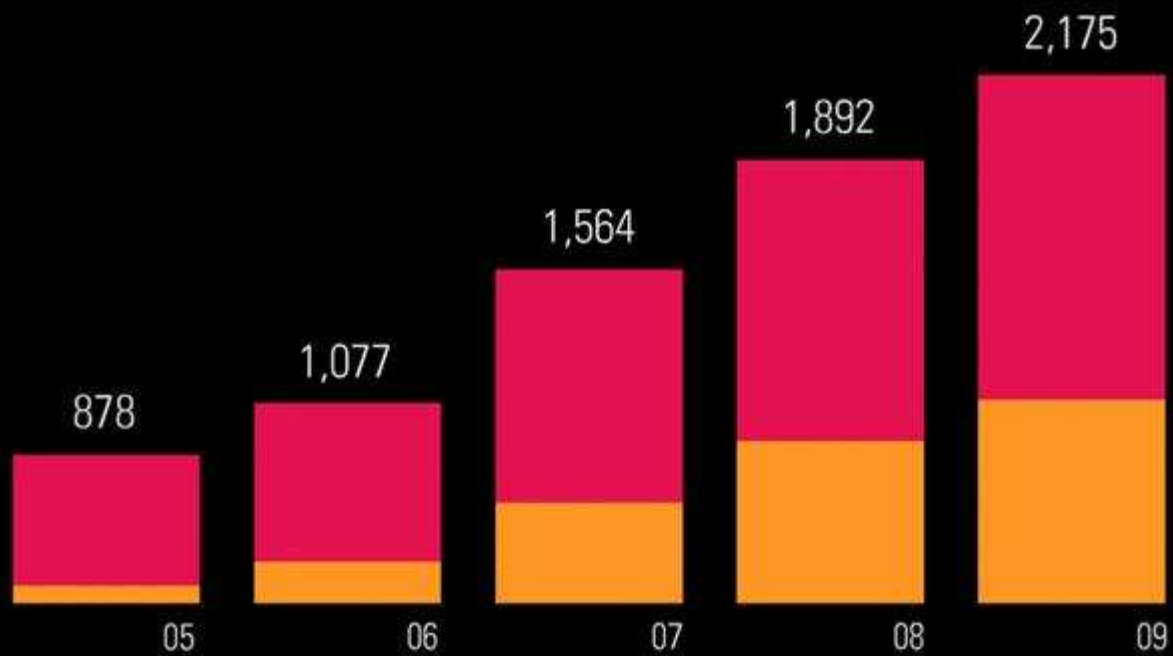
U.S. licenses for Advisor Workstation were down slightly in 2009, reflecting some clients migrating to SiteBuilder, a product that helps investment firms build advisor websites, and changes in the scope of some contracts, partly offset by new contracts.

Morningstar Advisor Workstation remains the leading software application for financial advisors in the United States

We recently launched Morningstar Advisor Workstation 2.0, with major upgrades to the platform's user interface and usability.

Morningstar Direct

Licenses: U.S. and Non-U.S.



Total 985 1,348 2,229 2,961 3,524

Total licenses were up about 19% in 2009. We now have more than one-third of licenses from outside the United States. We've also seen strong growth so far in 2010.

We introduced several major new features for Morningstar Direct in 2009, including total portfolio attribution, Presentation Studio, and fund flow information.

Strategy: Become a Global Leader in Funds of Funds

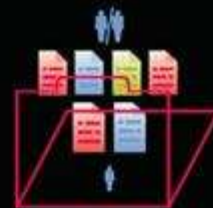
Investment Consulting



Retirement Advice



Morningstar Managed Portfolios



Variable annuity firms
Mutual fund companies
Other financial firms

Retirement plan providers,
sponsors,
and participants

Financial advisors

We think assembling and evaluating funds of funds is a natural extension of our expertise in understanding managed investment products.

We offer three main investment management services: Investment Consulting, Retirement Advice, and Morningstar Managed Portfolios.

Morningstar Fund of Funds Assets

(\$bil)



Investment Consulting

\$22.1

\$55.5

\$97.5

\$66.2

\$64.8

Managed Retirement Accounts

\$0.3

\$8.6

\$13.7

\$11.0

\$15.7

Morningstar Managed Portfolios

\$1.4

\$1.8

\$2.2

\$1.6

\$2.1

Our combined assets in these three areas totaled about \$83 billion as of year-end 2009, up slightly from 2008.

Become a Global Leader in Funds of Funds

Funds of Funds Industry Assets (\$bil)*



Morningstar's Combined Assets (\$bil)

\$23.8

\$65.9

\$113.4

\$78.8

\$82.6

*source: Cerulli Associates; 2009 amount is projected

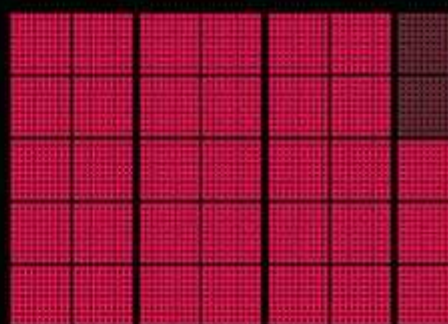
This graph shows industry-wide growth in funds of funds over the past five years based on data from Cerulli Associates. The large number of managed investment products has made sorting through them to build a well- thought-out portfolio a difficult task. As a result, there's been strong growth in multimanager assets worldwide, which totaled an estimated \$1.6 trillion as of year-end 2009.

Our assets represent about 5% of total assets in this area, so we see good potential for growth here.

Strategy: Continue Building Thought Leadership

Global Fund Research Coverage as of March 31

	Fund Analysts	Funds
2010	100	3,500
2009	75	3,300



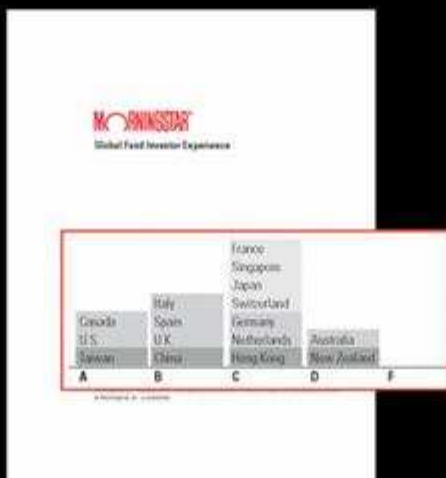
Over the past several years, we've expanded our analyst coverage in fund markets outside of the United States. We've been working to build an integrated team of locally based fund experts who can help us develop a leadership position in additional markets around the world. We currently have 100 fund analysts globally and cover a total of 3,500 funds—up from 75 analysts covering 3,300 funds in March 2009.

Thought Leadership

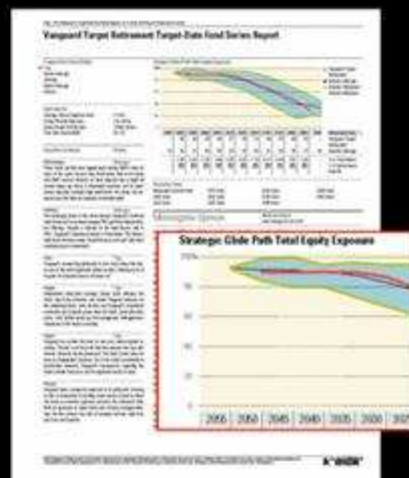
Qualitative Fund Ratings in Europe and Asia



Global Mutual Fund Investor Experience Report



Target Date Fund Family Reports



Here are a few of our recent initiatives on the fund side.

We rolled out forward-looking qualitative ratings in Europe and Asia in early 2009. We've now published more than 900 research reports written by analysts in 10 countries.

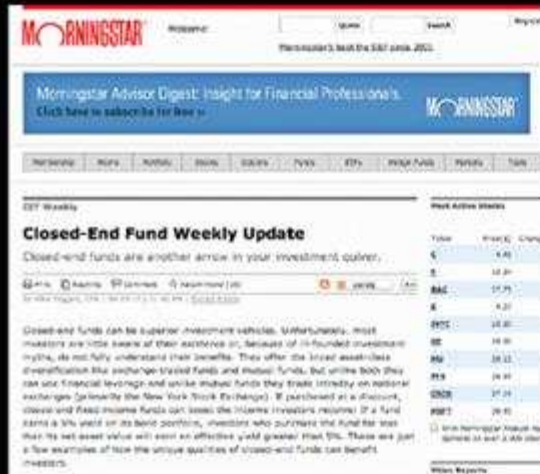
We also introduced a Global Mutual Fund Investor Experience report, which looks at the experience of fund investors across 16 countries. The goal is to see which countries have a friendly climate for fund owners.

We also started publishing comprehensive research on target-date funds, which are comprehensive investments that help investors build assets for retirement by automatically adjusting the mix of stocks, bonds, and cash over time.

Thought Leadership

Closed-End Coverage

International ETF Coverage



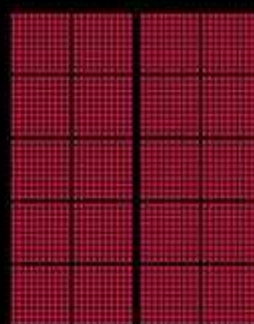
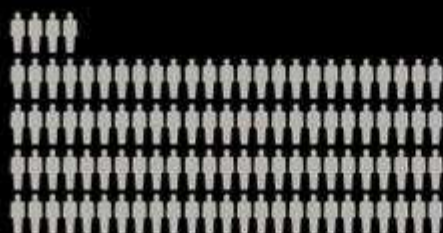
While we already offer quantitative-based tools and star ratings for hundreds of closed-end funds on Morningstar.com, our analysts will be re-introducing full research coverage on the largest and most heavily traded closed-end funds. As a first step, we're starting a new column about closed-end funds called Morningstar CEF Weekly.

We also plan to expand our coverage on international ETF funds, which have seen dramatic asset growth.

Thought Leadership

Equity Research Coverage as of March 31

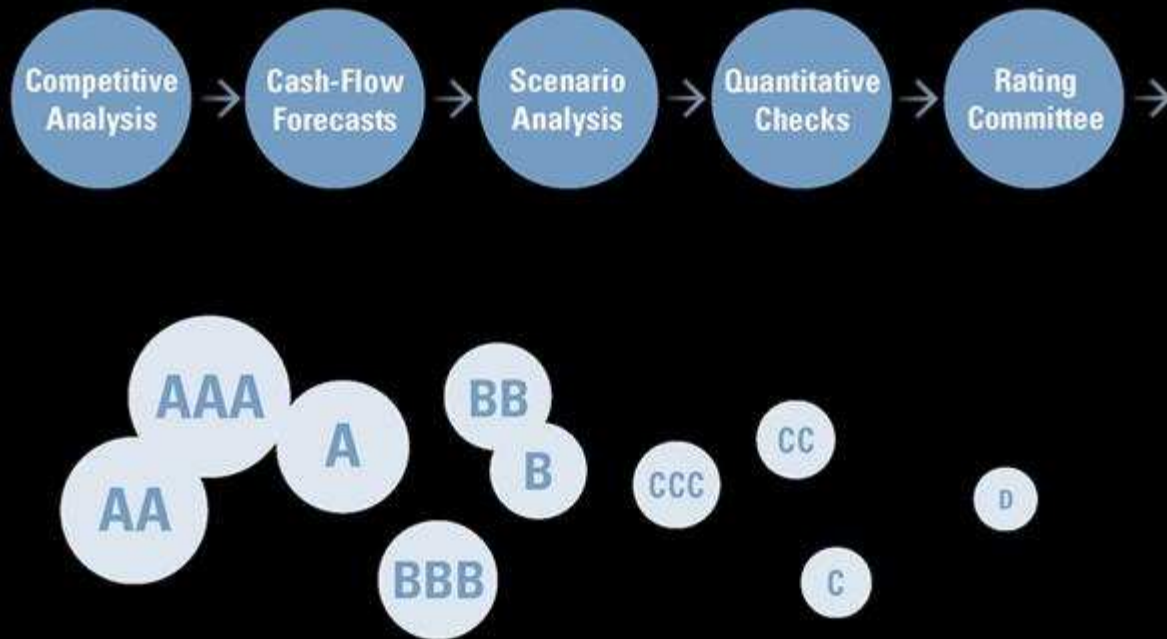
	Analysts	Stocks
2010	104	2,000
2009	120	2,250



We now have about 100 equity and credit analysts worldwide and cover approximately 2,000 stocks. This is one of the largest independent equity research staffs in the industry.

As you probably know, the period covered by the Global Analyst Research Settlement ended in July last year. However, we remain strongly committed to equity research as part of our long-term growth strategy and are maintaining broad coverage. We've also adjusted our coverage to cover more stocks in Europe and other non-U.S. markets.


Research Methodology: Credit Ratings



One of the major initiatives we announced in 2009 was our entry into the corporate credit rating business. Entering this business leverages the work of our equity analysts, who build discounted cash-flow models that can be used to evaluate a company's ability to pay off debt. We now provide credit ratings on about 200 companies and plan to increase that number to about 700 companies by the end of 2010.

We believe there's room in this area for a new voice and are excited to add our perspective.

Structured Credit Research and Ratings



CMBS PRESALE REPORT
RBS Commercial Funding, Inc. Commercial Mortgage Pass-Through Certificates, Series 2010-MB1

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Website
http://www.realpoint.com

PRELIMINARY RATINGS (AS OF: 4/1/2010)

CLASS	BALANCE/NO. OF LNS	PRELIMINARY RATINGS	REALPOINT DSCR	REALPOINT BLTV	RATED FINAL DISTRIBUTION DATE
A-1	\$18,700,000	AAA	2.98	53.5	April 2024
A-2	\$222,091,000	AAA	2.98	53.5	April 2024
X ⁽¹⁾	\$309,700,000	AAA	N/A	N/A	April 2024
X-NYD ⁽¹⁾	\$72,600,000	AAA	N/A	N/A	April 2024
B	\$18,575,000	AA	2.76	57.6	April 2024
C	\$20,900,000	A	2.54	62.2	April 2024
D	\$29,434,000	BBB-	2.32	69.8	April 2024
Total Issuance	\$309,700,000				

Opinion

The primary assets of the RBSOF 2010-MB1 Commercial Mortgage Trust consist of five fixed rate commercial whole mortgage loans and the senior A-note in one fixed rate commercial whole mortgage loan. The payment streams from these six loans support the Class A-1, Class A-2, Class X, Class X-NYD, Class B, Class C and Class D certificates. The following table provides the relative percentages of the loans:

Property	Property Type	Collateral and Principal	Low Cost and Effective Yield
South Plaza Mall	Retail - Regional Mall	\$72,700,000	29.3%
Four Seasons Plaza	Office	\$72,600,000	23.4%
CCRT Retail Portfolio II	53 Retail	\$64,600,000	20.9%
CCRT Retail Portfolio I	21 Retail & 1 Industrial	\$29,600,000	9.5%
CCRM Retail Portfolio	3 Retail	\$20,300,000	6.6%
Bank of America Plaza	Office	\$29,700,000	9.3%
Total		\$309,700,000	100.0%

Realpoint determined the preliminary ratings for the certificates by analyzing each loan, including all of the properties underlying the three retail portfolios. The concluded net cash flow and cap rates were then subjected to a variety of stresses in our proprietary CMBS Subordination Model. A review of the documents pertaining to the Trust and the trust mortgage loans was also part of the analysis.

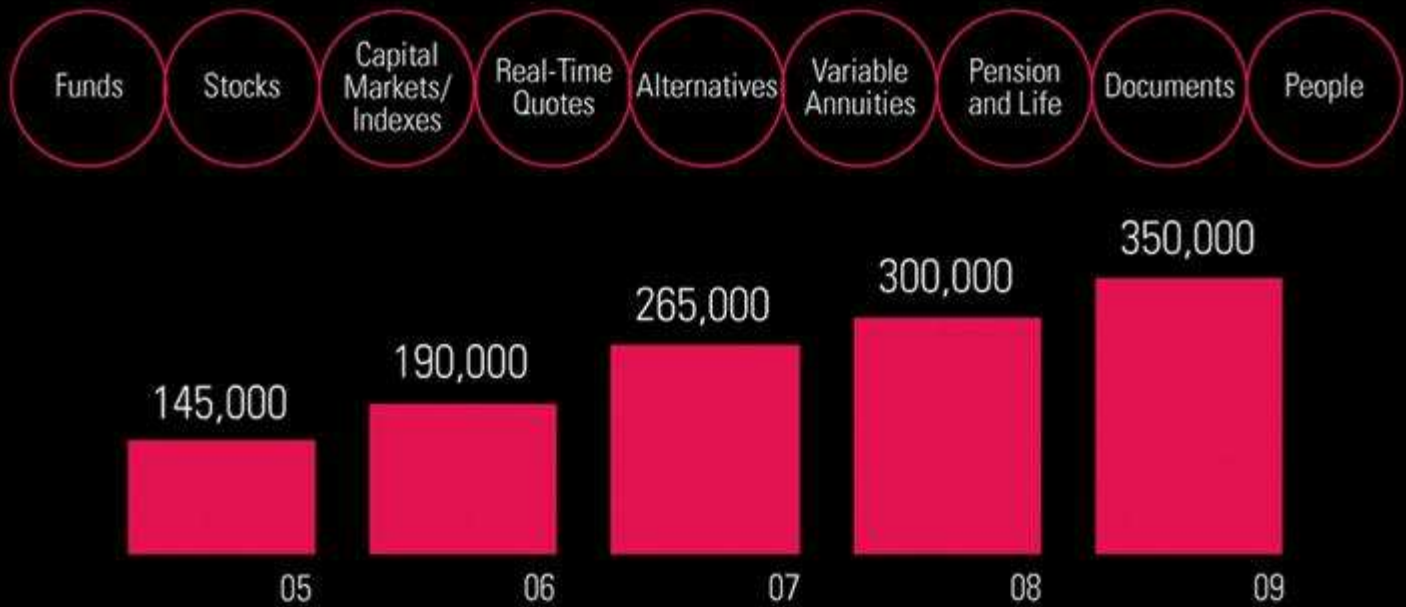
www.realpoint.com RBSOF 2010-MB1

Building on our credit ratings initiative, we recently completed our acquisition of Realpoint, LLC, a Nationally Recognized Statistical Ratings Organization (NRSRO) that specializes in structured finance. We believe there's strong demand for unbiased ratings and research in the structured credit market, and we think the time is ripe to bring more competition to this market.

Cathy will give you more details about Realpoint in her presentation a bit later.

Strategy: Create Premier Global Database

Growth in Global Investment Database Coverage

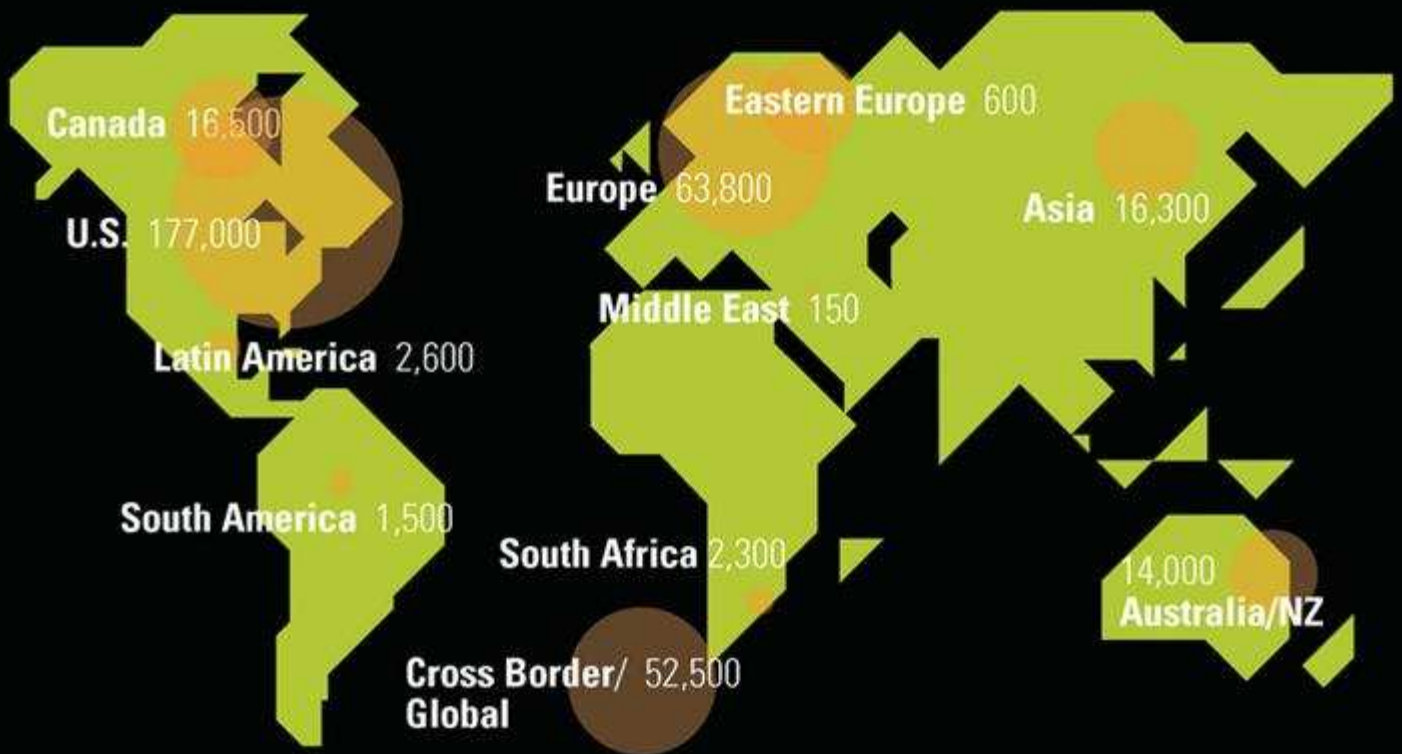


We currently have comprehensive data on more than 350,000 investments globally, as well as real-time market data on an additional 4 million securities. During 2009 we expanded several of our databases, including closed-end funds, separate accounts and collective investment trusts, and stocks.

We've had strong renewal rates in our Licensed Data business, and Licensed Data remained our largest product based on revenue in 2009. Revenue for this product grew 17% last year, helped in part by our acquisitions of Tenfore and other data providers as well as organic growth.

Global Investment Database

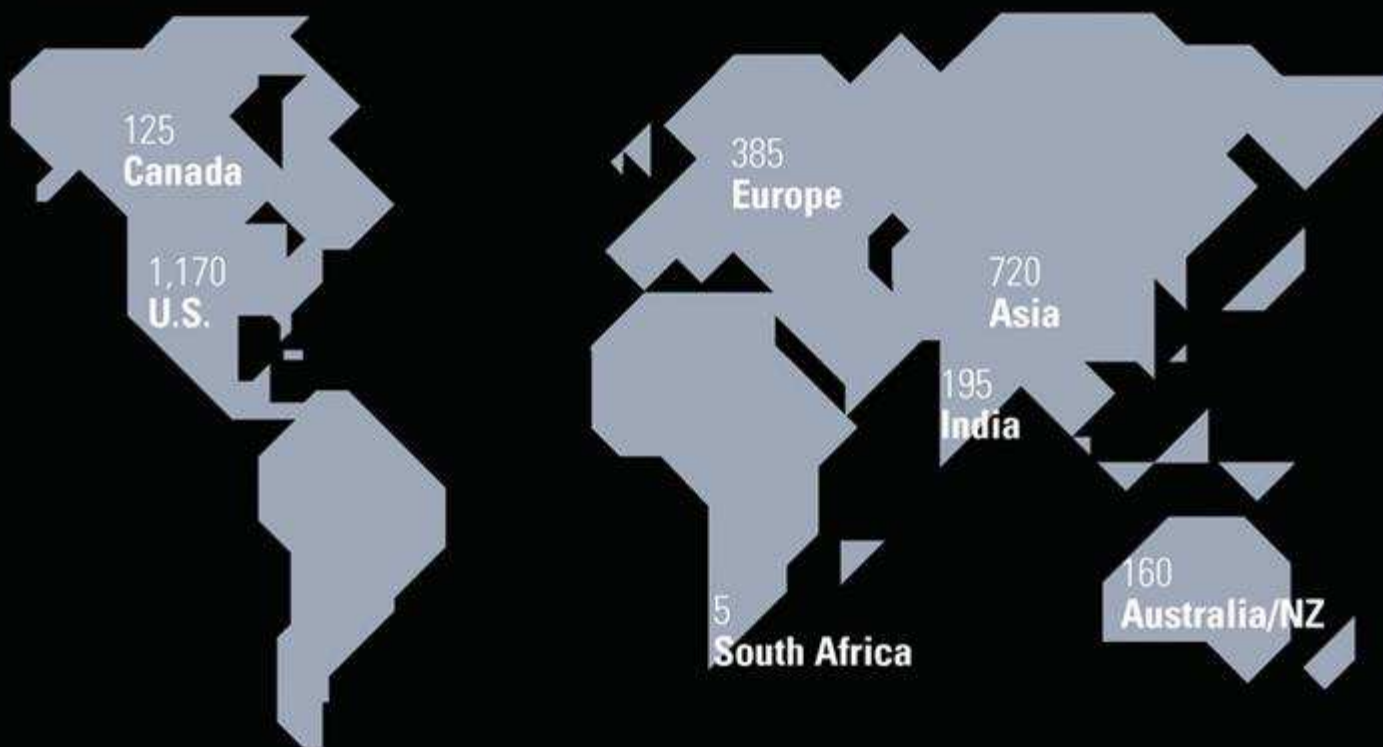
~350,000 Investments Globally



Here you can see our global database coverage. In 2009 we expanded data in numerous countries, including Canada, Chile, the United Kingdom, France, Namibia, South Africa, Thailand, and Indonesia.

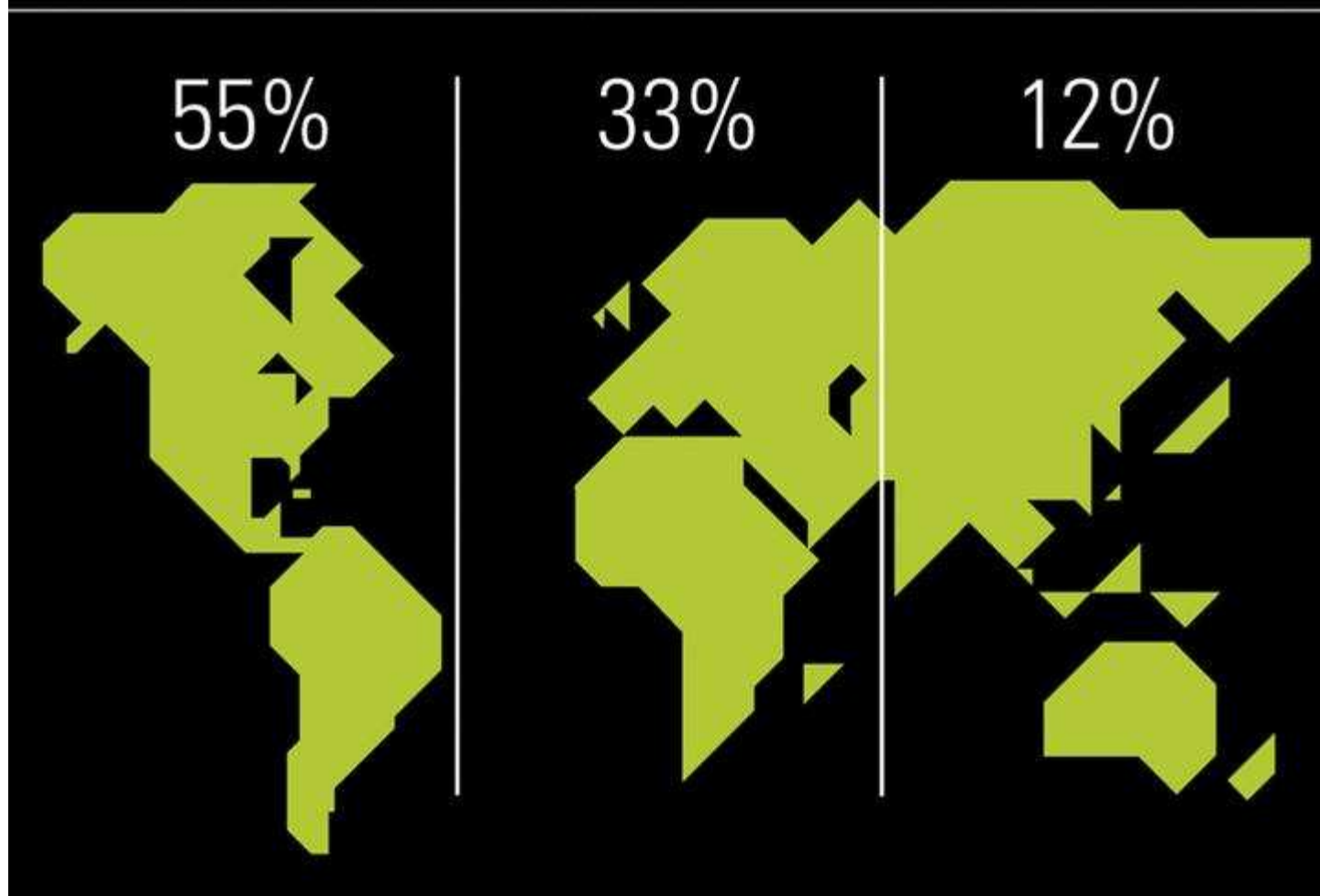
Strategy: Expand Internationally

2,760 Morningstar Employees
as of March 31, 2010



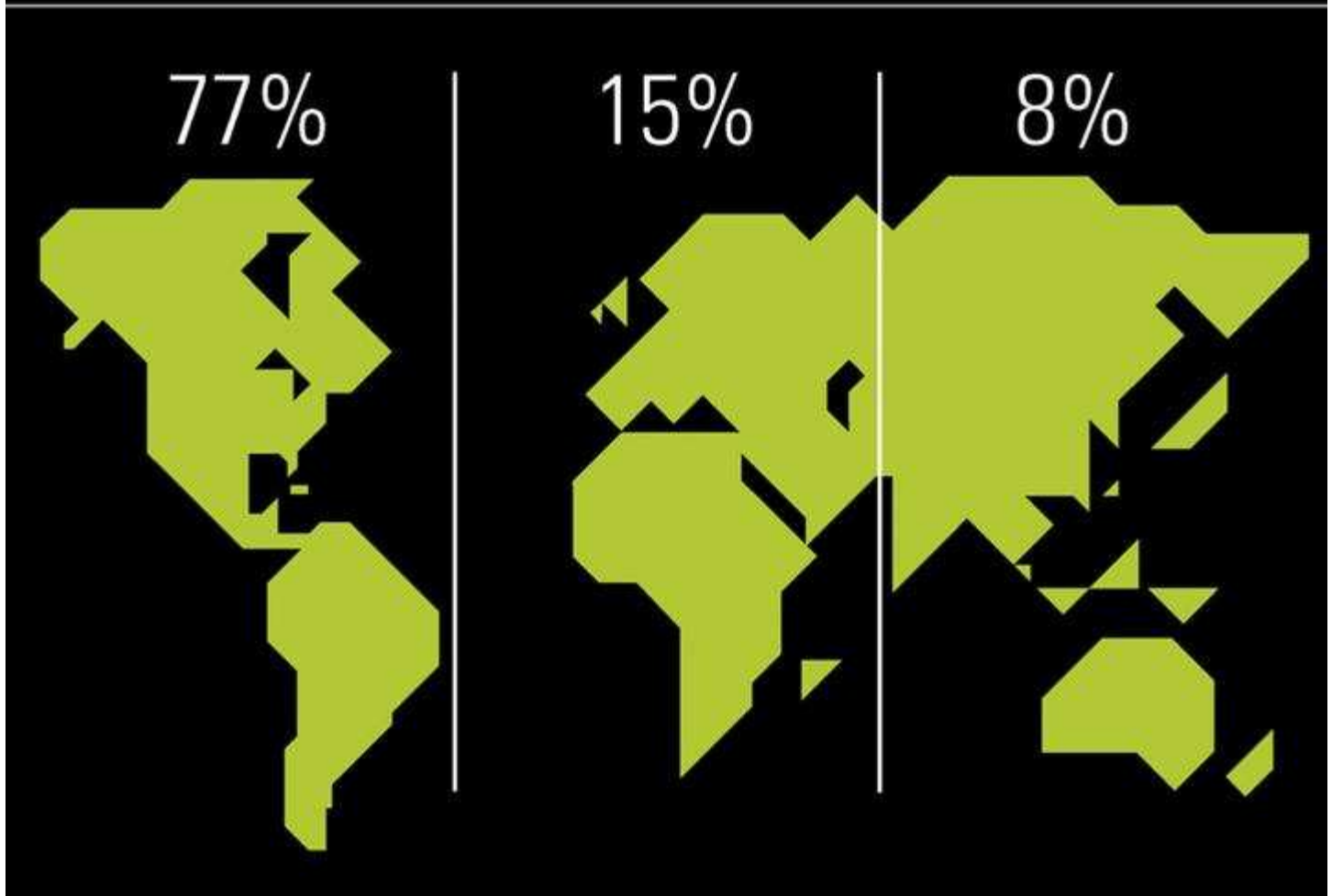
More than half of our employees are outside the United States. We have large offshore data centers in China and India, and also have operations in other major markets around the world. We currently have operations in 20 countries plus minority ownership positions in two other countries.

Worldwide Fund Assets



If you look at the distribution of fund assets globally, about half are in North America, a third are in Europe, and the remainder is in the Asia/Pacific region.

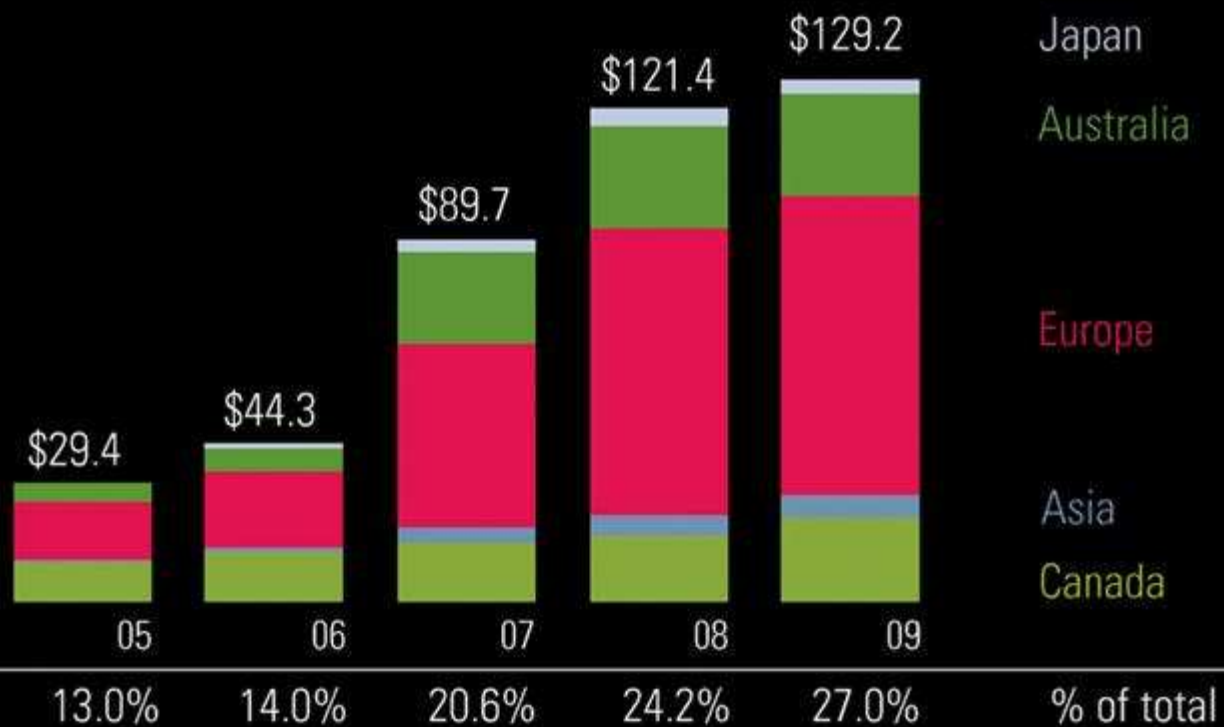
Morningstar Revenue (2009)



In 2009, about 77% of our revenue was from the United States and Canada, 15% was in Europe, and 8% was in the Asia/Pacific region. So we see plenty of room for expansion outside the United States.

Expand Internationally

Revenue by Region (\$mil)



This graph shows our revenue by region over the past five years. Overall, international revenue made up about 27% of our consolidated revenue in 2009.

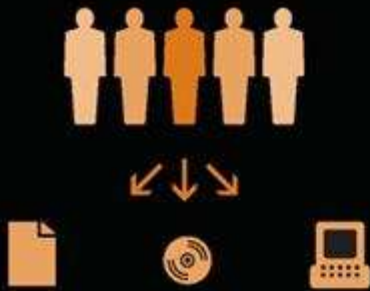
2010 Initiatives

Now I'll turn to a few of our larger initiatives for 2010. We have many great things going on here, and these are just a few of the highlights.

We've moved from a more defensive mode back to investing more aggressively in the business.

Major Initiatives for 2010

Invest in Development Team



Expand Sales Team



Build Out Credit Ratings and Research



Invest in Development Team

We have a core development team that we call One Team that works on enhancing our three major platforms. We're expanding this team in 2010 and restructuring the team to focus on specific product development areas. They'll be working on a number of key initiatives, including third-party data, middle and back office capabilities, our real-time terminal offering, other real-time news and data aggregation, mobile devices, and web delivery for Morningstar Direct and Morningstar Office.

Expand Sales Team

We're also investing in our sales staff. We're expanding our regional sales staff for Morningstar Office, building on the recent success we've had there. We're also expanding our sales efforts for Morningstar Equity Research.

Build Out Credit Ratings and Research

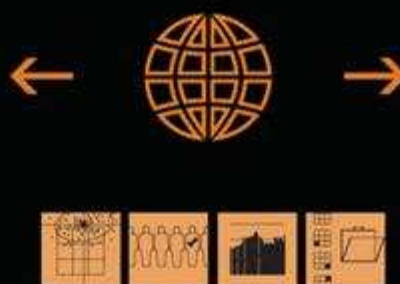
This is another major initiative for us. As I mentioned earlier, we plan to introduce credit ratings on up to 700 companies by the end of 2010.

Major Initiatives for 2010

Invest in Data Manufacturing



Globalize Consulting Capabilities



Invest in Data Manufacturing

We also plan to invest in our data manufacturing capabilities. We're continuing to invest in quality and process improvements. We're also hiring additional data analysts and developers for our facility in Shenzhen, China. We're also adding some key data sets, including conference call transcripts and earnings estimates.

Globalize Consulting Capabilities

We're also expanding our global consulting capabilities, partly through our recent acquisitions of Intech, Aegis, and OBSR. We're also adding to our sales and consulting teams in Europe, India, and Canada.

Recent Acquisitions

In addition to investing in internal growth, we've made a number of acquisitions over the past year and half or so, which all tie into the five growth strategies I mentioned earlier.

2009 Acquisitions

Logical Information Machines, Inc.	A leading provider of data and analytics for the energy, financial, and agriculture sectors	\$53.5 mil
C.P.M.S. Equity Research and Data Businesses	Tracks fundamental equity data for approximately 4,000 securities in the United States and Canada and brokerage earnings estimates for Canadian stocks	C\$16.0 mil
Global Reports Global Financial Filings Database Business	A leading provider of online financial and Corporate and Social Responsibility (CSR) reports for publicly traded companies around the world	not disclosed
Andex Associates, Inc.	A leading provider of financial communications materials in Canada	not disclosed

- Our largest acquisition in 2009 was Logical Information Machines (LIM), is a leading provider of data and analytics for the energy, financial, and agriculture sectors. LIM also helps us expand our reach into new client segments, including oil companies, power and natural gas trading, hedge funds, and agricultural and commodities trading.
 - Computerized Portfolio Management Services (C.P.M.S.) tracks fundamental equity data for approximately 4,000 securities in the United States and Canada as well as tracks and provides earnings estimates for Canadian stocks.
 - Global Reports is a leading provider of online financial and Corporate and Social Responsibility reports for publicly traded companies around the world.
 - Andex is known for Andex Charts, which illustrate historical market returns, stock index growth, inflation rates, currency rates, and general economic conditions for the United States dating back to 1926, and for Canada dating back to 1950.
-

2009 Acquisitions

Intech Pty Ltd	A leading provider of multimanager and investment portfolio solutions in Sydney, Australia, Intech also manages a range of single sector, alternative strategy, and diversified investment portfolios, has one of the leading separately managed account databases in Australia, and offers the Intech Desktop Consultant, a research software product for institutions	not disclosed
Canadian Investment Awards and Gala	Canada's marquee investment awards program, recognizing excellence in products and firms within the financial services industry	not disclosed

- A leading provider of multimanager and investment portfolio solutions in Sydney, Australia, Intech also manages a range of single sector, alternative strategy, and diversified investment portfolios, has one of the leading separately managed account databases in Australia, and offers the Intech Desktop Consultant, a research software product for institutions
 - The Canadian Investment Awards and Gala is Canada's marquee investment awards program, recognizing excellence in products and firms within the financial services industry
-

2010 Acquisitions

Realpoint, LLC	A Nationally Recognized Statistical Ratings Organization (NRSRO) that specializes in structured finance.	\$52 mil
Footnoted.org and Footnoted Pro	Footnoted is a highly regarded blog for professional money managers, analysts, and sophisticated individual investors. Footnoted Pro, a service for institutional investors, provides insight on actionable items and trends in SEC filings.	not disclosed
Aegis Research	A leading provider of independent equity research in Sydney, Australia.	not disclosed
Old Broad Street Research	A premier provider of fund research, ratings, and investment consulting services in the United Kingdom.	\$18 mil

- Realpoint, LLC is a Nationally Recognized Statistical Ratings Organization (NRSRO) that specializes in structured finance.
 - Footnoted is a highly regarded blog for professional money managers, analysts, and sophisticated individual investors.
 - Aegis Equities Research is a leading provider of independent equity research in Sydney, Australia.
 - Old Broad Street Research is a premier provider of fund research, ratings, and investment consulting services in the United Kingdom.
-



Research Technology Design



MORNINGSTAR®

We're excited about the opportunities we see to expand our business and continue our mission of helping investors in the years ahead. We've continued to focus on building out our moat, or sustainable competitive advantage, by making investments that support our five key growth strategies.

There are still some question marks on the horizon such as the financial reform bill and economic turmoil in Europe. Still, we believe business conditions are improving, and clients have been more engaged in sales discussions. We see many opportunities ahead and feel good about our capabilities.

With that, let me turn things over to Scott Cooley, our Chief Financial Officer.

Financial Highlights

Scott Cooley
Chief Financial Officer

Financial Highlights

2009 Highlights

First Quarter 2010

Capital Allocation

My talk today will cover three main areas:

- 2009 Highlights
 - First Quarter 2010
 - Capital Allocation
-

2009 Highlights

2009 Key Metrics

Revenue
(\$mil)

Operating Income
(\$mil)

Free Cash Flow*
(\$mil)

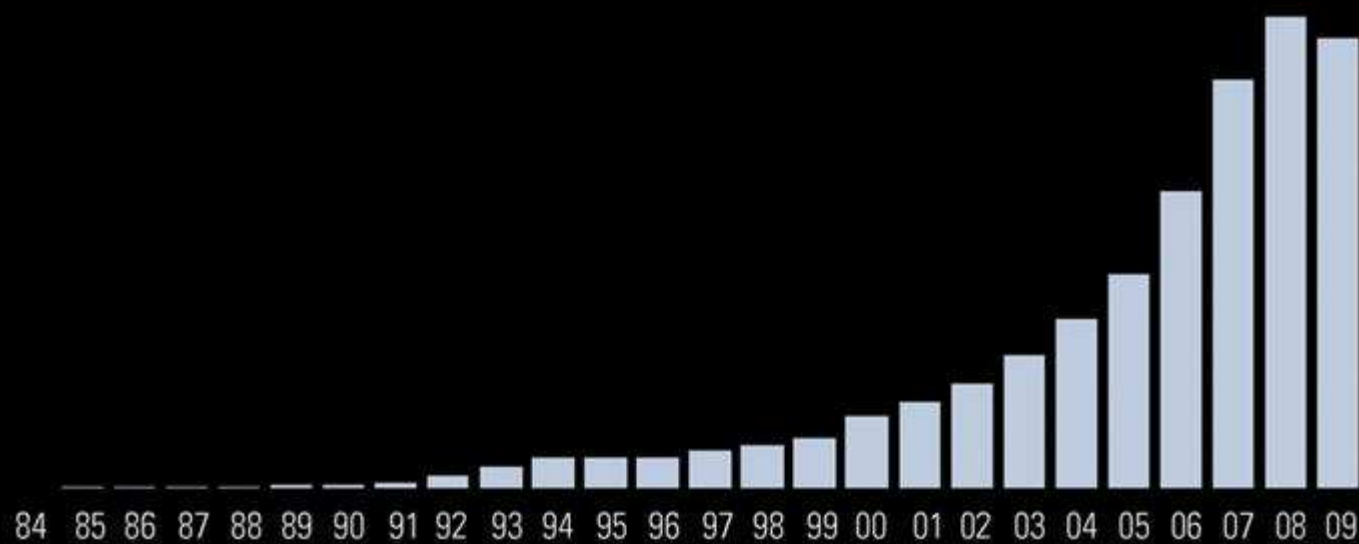


*Free Cash Flow is considered a non-GAAP financial measure under SEC regulations.

We have three key metrics that we use to measure our results. We don't typically see negative numbers here, but we did see some declines in 2009's economic downturn.

Revenue was down about 5% to \$479 million, operating income was down 10% to \$125 million, and free cash flow declined 19% to \$84 million.

Morningstar Revenue

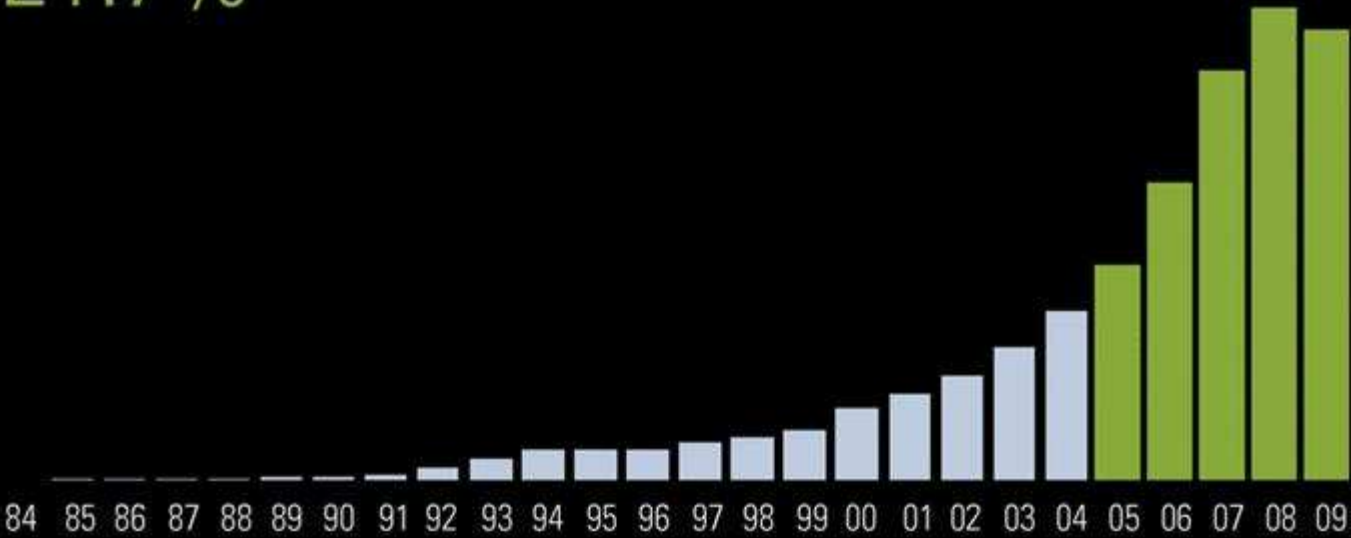


Taking a longer-term view of revenue over our 26-year history, last year was only the second time that revenue was down. (The other time—in 1995—the downturn was only 1%.)

Morningstar Revenue

5-YR Compound Annual Growth Rate

21.7%

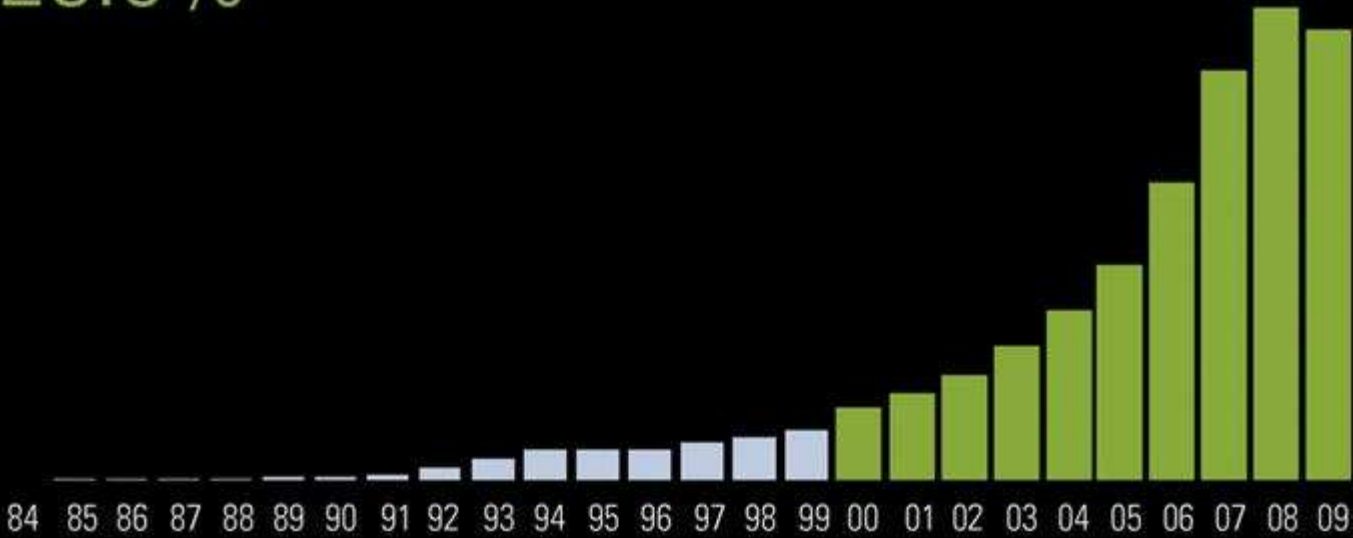


Despite last year's downturn, our five-year compound annual growth rate remains over 20%.

Morningstar Revenue

10-YR Compound Annual Growth Rate

25.0%



Over the past 10 years, we've compounded revenue at about 25% per year, on average.

Investment Information Segment

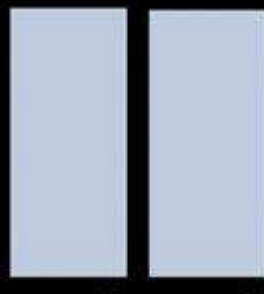
Share of
Consolidated
Revenue

80.7%



Revenue
(\$mil)

–1.0%



08

09

\$390.7 \$386.6

Operating
Income (\$mil)

–0.2%



08

09

\$138.9 \$138.6

Revenue for our Investment Information segment, which accounts for about 81% of company-wide revenue, declined by 1% in 2009, as the lower revenue across various product lines was partially offset by revenue from acquisitions. Acquisitions contributed \$25.9 million to segment revenue in 2009.

In 2009, operating income for the Investment Information segment was \$138.6 million, a slight decrease compared with 2008, as the \$4.1 million decline in revenue was partially offset by lower operating expense.

Investment Management Segment

Share of
Consolidated
Revenue

19.3%



Revenue
(\$mil)



Operating
Income (\$mil)



Investment Management segment revenue was down 17.4% in 2009, driven by the loss of two larger contract renewals in Investment Consulting (one in October 2008 and the other in May 2009). As we've previously discussed, these contracts represented about \$17 million of combined revenue in 2008. Acquisitions contributed \$3.7 million to segment revenue in 2009.

Operating income was down about 12%, as lower bonus and other compensation-related expense was partially offset by the additional operating expense related to the Intech acquisition.

Corporate Items

Year ended Dec. 31 (\$000)	2009	2008	% change
Operating expense excluding stock-based compensation, depreciation and amortization	\$ 35,872	\$ 35,616	0.7%
Stock-based compensation	\$ 3,924	\$ 4,013	(2.2%)
Depreciation and amortization	\$ 26,349	\$ 20,550	28.2%
Operating loss	(\$ 66,145)	(\$ 60,179)	9.9%

Our corporate operating expense was basically flat in 2009, but depreciation and amortization was up about 28%. As a result, our operating loss for the corporate segment increased about 10% in 2009.

Two Expensive “Foot Faults” in 2009

Operating Expense	For
\$ 6.1 mil	related to adjusting tax treatment of some stock options originally considered ISOs
\$ 3.4 mil	penalties related to timing of deposits withheld on stock-option exercises from 2006–2009
\$ 9.5 mil	total

Unfortunately, two tax-related problems reduced our operating income by \$9.5 million last year. First was \$3.4 million related to penalties we paid to the IRS because we remitted withholding on stock option exercises at each biweekly payroll instead of within three days after the option was exercised.

Second was \$6.1 million related to adjusting the treatment of some stock options that were originally issued as incentive stock options (ISOs) and should have been considered non-qualified stock options (NQSOs). To correct our error, we paid a total of \$4.9 million to three executives to compensate them for the difference in tax treatment and also recorded an expense for potential tax penalties.

While we regret these errors, I believe our risk analysis, accounting, tax, and legal oversight are strong—much better today than a decade ago when we were a privately held company. It was our tax department, for example, that caught the ISO error.

Contributors to Revenue Growth



Acquisitions

1.3%

16.0%

14.1%

6.2%

5.9%

Foreign Currency

0.4%

0.4%

1.2%

0.5%

(1.8%)

Organic Growth

24.7%

22.4%

22.8%

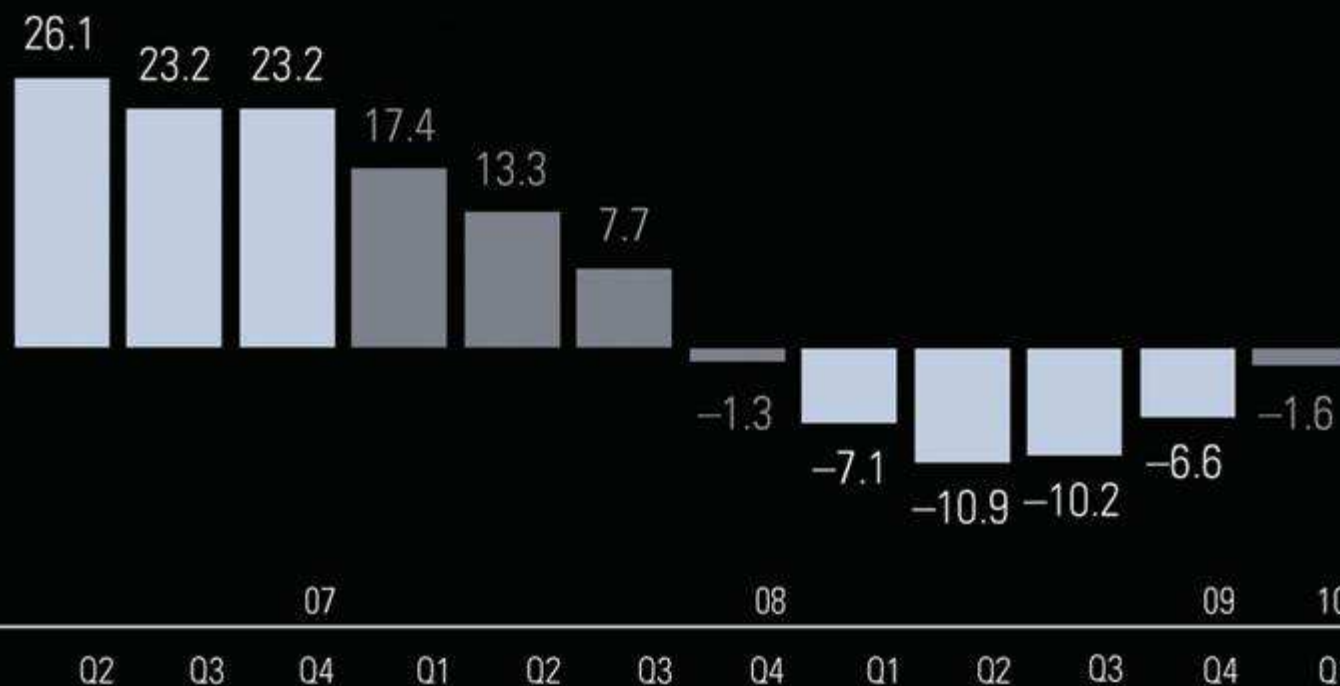
8.8%

(8.8%)

This graph shows the components of revenue growth over the past five years. In 2009, acquisitions contributed about 6 percentage points to our growth rate, while organic revenue and foreign currency were both negative.

Over time, organic growth has been the major driver behind our revenue increases.

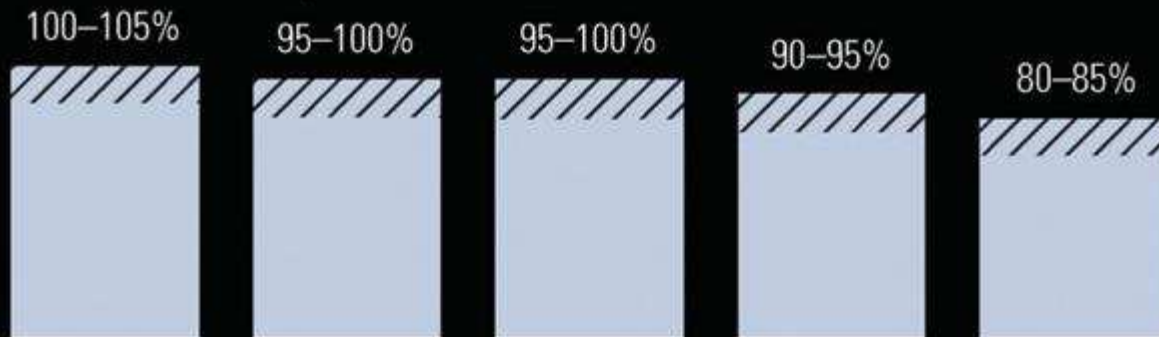
Quarterly Organic Revenue Growth %



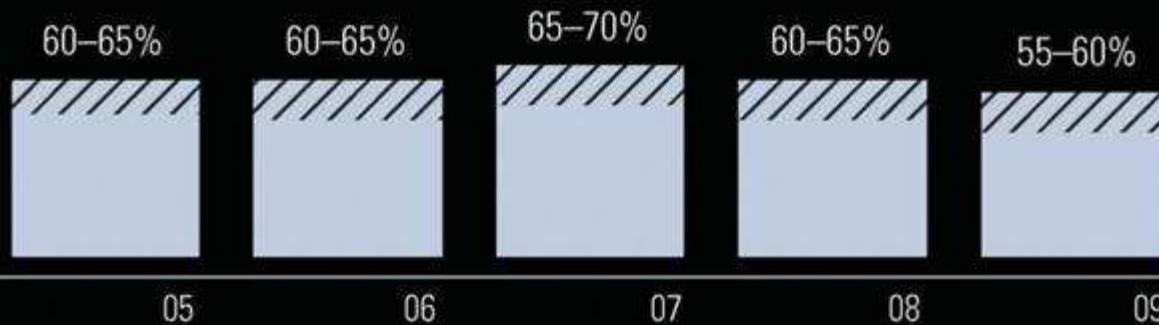
Our 2009 results also suffered because of the continuing effects of the severe market downturn in 2008, which put pressure on client budgets and led to consolidation among some of our clients. Our organic growth rate decelerated during 2008 because of these adverse market conditions and continued deteriorating during the first half of 2009. While our organic revenue was down for the year, we believe recent trends are more encouraging. Our organic revenue fell 10.2% in the third quarter of 2009, but 6.6% in the fourth quarter and 1.6% in the first quarter of 2010.

Retention and Renewal Rates

Renewal (contract-based products)



Retention (subscription-based products)



In 2009, we estimate that our retention rate for subscription-based products, such as Principia, Morningstar.com Premium Membership service, and print and online newsletters, was on the higher end of the range between 55% and 60%, down from 60% to 65% in 2008.

For contract-based products and services, we estimate that our weighted average renewal rate was on the low end of the range between 80% and 85% and was down about 9.5 percentage points from our renewal rate in 2008. The decline in renewal rates in 2009 was largely driven by the end of the Global Analyst Research Settlement period. Excluding this factor, the 2009 renewal rate declined about 3 percentage points from 2008. This decline reflects lower renewal rates for several product lines, including Investment Consulting, institutional software, and advisor software.

Top Five Products

	2009 Revenue (\$000)	% of Revenue
Licensed Data	\$ 91,524	19.1%
Morningstar Advisor Workstation	\$ 65,673	13.7%
Investment Consulting	\$ 62,531*	13.1%
Morningstar.com	\$ 39,454	8.2%
Morningstar Direct	\$ 29,968	6.3%
Total	\$ 289,150	60.4%
*revised for reclassification		

Licensed Data remained our largest product in 2009 because of strong organic growth as well as additional revenue from acquisitions, while Morningstar Direct moved up to become part of the top five for the first time.

Significant Operating Leverage

Revenue and Operating Income (\$000)



Operating margin %

20.5%

24.6%

26.9%

27.7%

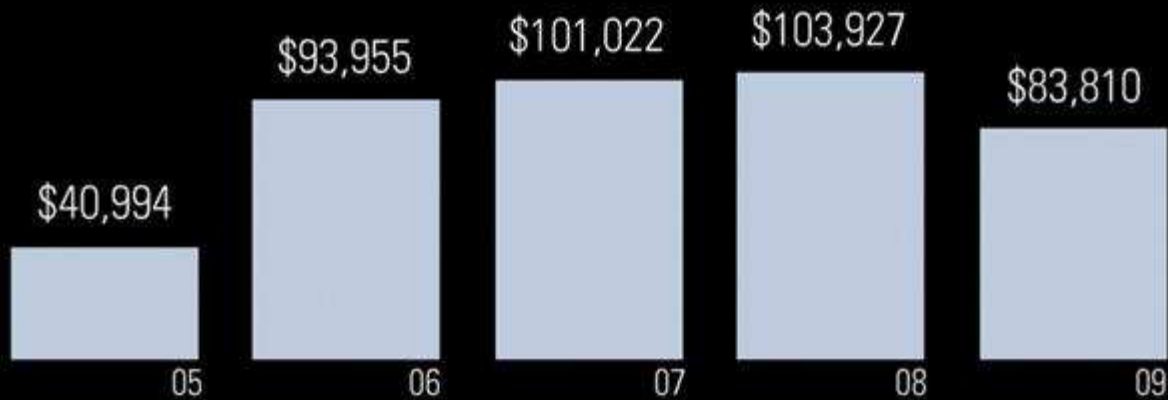
26.2%

With revenue down slightly in 2009, we also saw some compression in our operating margin.

Cost Savings Measures in 2009	
Category	Change from 08 (\$mil)
Bonus expense	(\$ 28.9)
401(k) match	(\$ 6.6)
Travel, telephone, training, and conferences	(\$ 4.5)
Advertising and marketing	(\$ 4.3)

Free Cash Flow*

(\$000)



Cash provided by operating activities

\$48,445 \$98,677 \$112,368 \$152,446 \$96,182

Capital expenditures

(\$7,451) (\$4,722) (\$11,346) (\$48,519) (\$12,372)

*Free Cash Flow is considered a non-GAAP financial measure under SEC regulations.

Free cash flow in 2009 was down about 19% from 2008, mainly because of lower cash provided by operating activities, partly offset by lower capital expenditures.

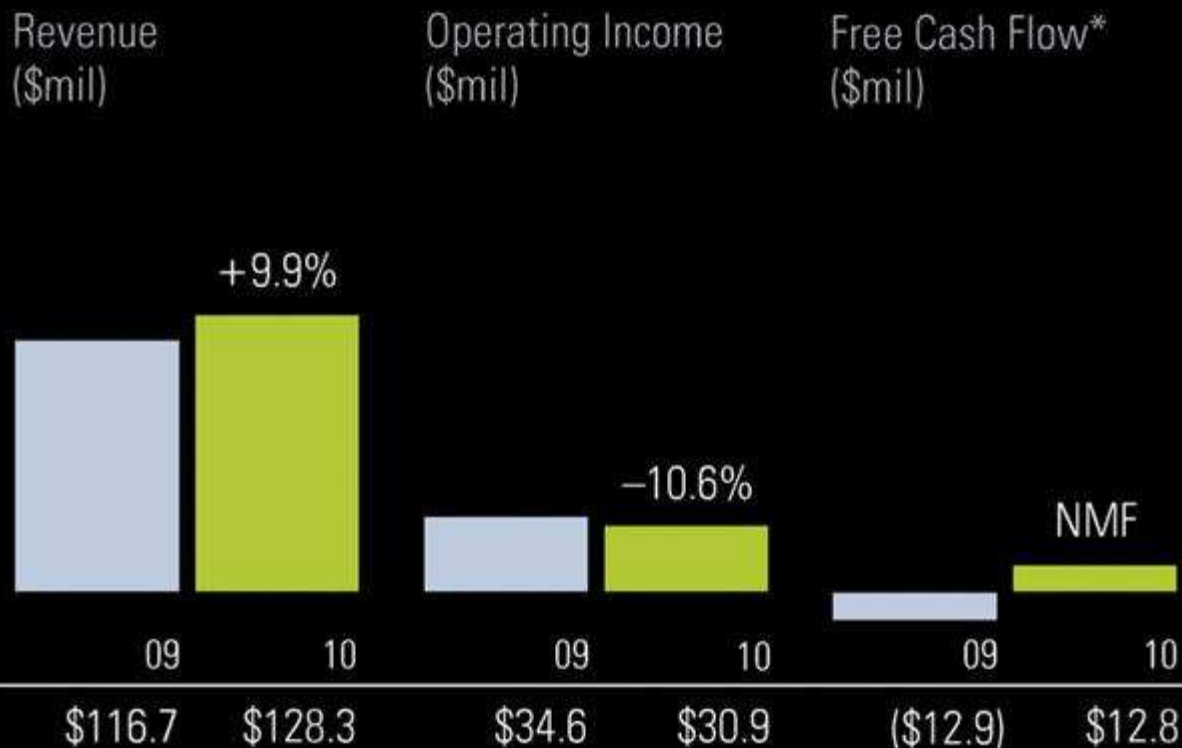
Solid Balance Sheet

Consolidated balance sheet data (\$000)	as of Dec. 31, 2009	as of Dec. 31, 2008
Cash, cash equivalents, and investments	\$ 342,553	\$ 297,577
Working capital	\$ 237,218	\$ 180,295
Total assets	\$ 919,583	\$ 803,940
Deferred revenue	\$ 127,114	\$ 130,270
Long-term liabilities	\$ 35,830	\$ 34,570
Total shareholders' equity	\$ 676,874	\$ 535,929

We had about \$343 million in cash, cash equivalents, and investments as of December 31, 2009 and no bank debt.

First Quarter 2010

First Quarter 2010 Key Metrics



*Free Cash Flow is considered a non-GAAP financial measure under SEC regulations.

Here's a snapshot of our key metrics in the first quarter of 2010. Revenue increased about 10%, operating income was down about 11%, and free cash flow increased to \$12.8 million.

Operating income was down for a couple of reasons in the first quarter. Because of the timing of acquisitions, our first-quarter 2010 results include operating expense that did not exist in the same period last year. Headcount and salary expense also increased year over year, partly because of acquisitions.

Also, in early 2010, we began phasing in some of the benefits and other compensation-related expense we had previously reduced. As a result, bonus expense increased \$2.5 million and matching contributions to our 401(k) plan increased \$1.0 million. Sales commissions also increased \$2.1 million, reflecting improved sales activity compared with the first quarter of 2009.

First Quarter 2010 Balance Sheet

Consolidated balance sheet data (\$000)	as of March 31, 2010	as of Dec. 31, 2009
Cash, cash equivalents, and investments	\$ 360,743	\$ 342,553
Working capital	\$ 270,866	\$ 237,218
Total assets	\$ 930,402	\$ 919,583
Deferred revenue	\$ 136,842	\$ 127,114
Long-term liabilities	\$ 33,823	\$ 35,830
Total equity	\$ 702,083	\$ 676,874

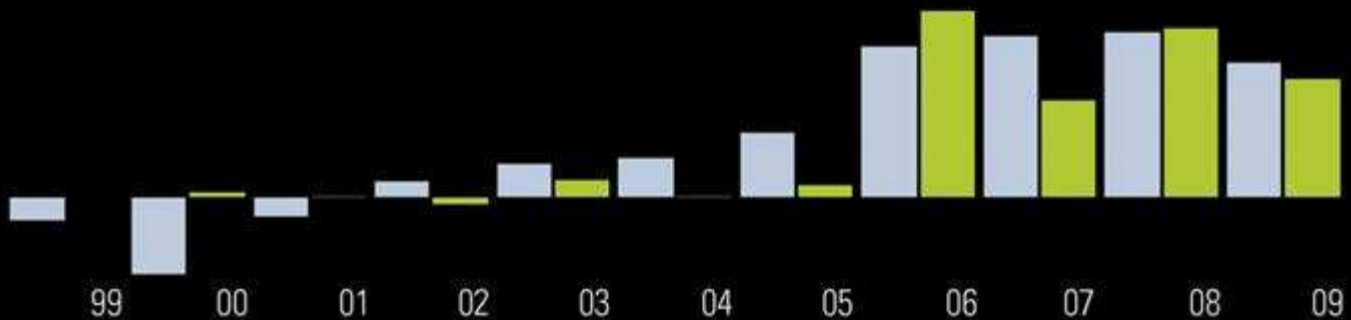
Despite paying out \$21.4 million in bonuses in the first quarter, we had cash, cash equivalents, and investments of \$360.7 million as of March 31, 2010. We expect to use approximately \$76 million in the second quarter of 2010 to complete previously announced acquisitions.

Deferred revenue—which in some ways is a good measure of future revenue trends because it includes revenue we expect to recognize in future periods—increased during the first quarter .

Capital Allocation

Free Cash Flow and Acquisitions

(\$mil)



Free Cash Flow

(13.1) (47.2) (11.1) 10.6 21.1 25.1 41.0 94.0 101.0 103.9 83.8

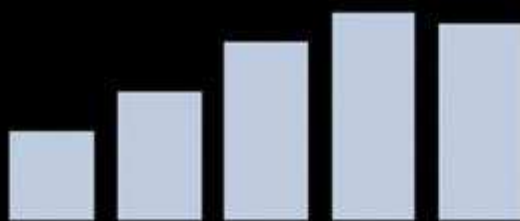
Acquisitions and Acquisition Spending as a % of FCF

0.0 3.9 0.4 (3.5) 10.8 0.2 8.2 117.3 60.5 105.4 74.2
 0.0% (8.3%) (3.6%) (33.0%) 51.2% 0.8% 20.0% 124.8% 59.9% 101.4% 88.5%

This graph shows our free cash flow and acquisition spending over time. Acquisition spending was about equal to free cash flow in 2008, but a bit lower in 2009.

We've been fortunate to find a number of compelling acquisition opportunities recently, but our core business is also very strong. We don't feel that we need to make acquisitions unless we find really attractive opportunities.

Potential Uses of Cash



Balance sheet strength



acquisitions

organic expansion

dividend

stock buyback

We try to use our cash balance in ways that will maximize returns over the long term. In addition to maintaining a strong balance sheet, there are several other potential areas we could deploy cash. We like to live within our means and use our cash flow to enhance the company's value by making acquisitions or for organic expansion. We have also had some discussions with our board about other uses of cash, such as a dividend or stock buyback. We are waiting for more clarity on potential tax-law changes before making any final decisions, but we expect to continue this discussion with the board during 2010.

Reconciliation of Non-GAAP Measures with the Nearest Comparable GAAP Measure

Organic revenue (illustrated in a previous slide) is considered a non-GAAP measure. The tables below reconcile consolidated revenue with organic revenue (revenue excluding acquisitions and the impact of foreign currency translations):

(\$000)	2009	Three months ended March 31 (\$000)	2010
Consolidated revenue	\$ 478,996	Consolidated revenue	\$ 128,290
Less: acquisitions	(29,590)	Less: acquisitions	(9,704)
Unfavorable impact of foreign currency translations	8,987	Favorable impact of foreign currency	(3,731)
Organic revenue	\$ 458,393	Organic revenue	\$ 114,855

These slides reconcile the organic growth rates shown earlier (a non-GAAP measure) to consolidated revenue.

Reconciliation of Non-GAAP Measure with the Nearest Comparable GAAP Measure

Organic revenue (illustrated in a previous slide) is considered a non-GAAP measure. Reconciliation from consolidated revenue to revenue excluding acquisitions and foreign currency translations (organic revenue)

\$000	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated revenue	\$ 95,447	\$109,685	\$111,659	\$118,116	\$125,444	\$132,237	\$125,505	\$119,271	\$116,732	\$119,533	\$120,088	\$122,643
Less: acquisitions	(12,154)	(13,002)	(10,208)	(8,862)	(11,098)	(4,876)	(4,732)	(8,419)	(5,928)	(6,732)	(9,342)	(7,588)
(Favorable)/unfavorable impact of foreign currency translations	(397)	(552)	(875)	(1,984)	(2,281)	(3,085)	(271)	3,787	5,697	5,031	1,969	(3,710)
Revenue excluding acquisitions and foreign currency translations	\$ 82,896	\$ 96,131	\$100,776	\$107,270	\$112,065	\$124,276	\$120,502	\$116,639	\$116,501	\$117,832	\$112,715	111,345
Consolidated revenue growth	36%	44%	37%	36%	31%	21%	12%	1%	(7%)	(10%)	(4%)	3%
Less: acquisitions	(17%)	(17%)	(12%)	(10%)	(12%)	(4%)	(4%)	(5%)	(5%)	(5%)	(7%)	(6%)
Less: impact of foreign currency	(1%)	(1%)	(1%)	(2%)	(2%)	(3%)	—	3%	5%	4%	2%	(3%)
Revenue growth excluding acquisitions and foreign currency translations (organic revenue) (1)	18%	26%	23%	23%	17%	13%	8%	(1%)	(7%)	(11%)	(10%)	(7%)

(1) Sum of percentages may not match total because of rounding.

These slides reconcile the organic growth rates shown earlier (a non-GAAP measure) to consolidated revenue.

Morningstar Canada

Scott Mackenzie
CEO Morningstar Canada



Canada Overview

Clients

500+

Client Countries

1

Morningstar Offices

2

2009 Revenue

\$23M

Employees

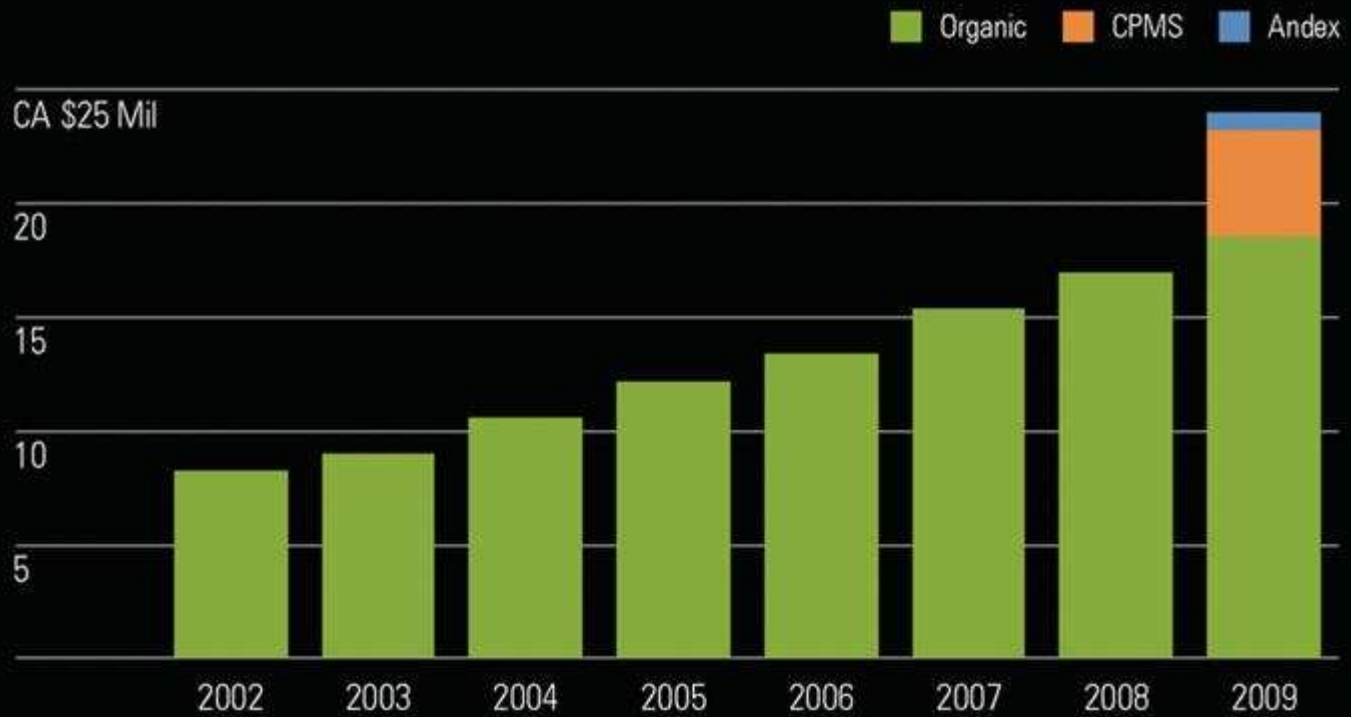
125

Morningstar's Canadian operations commenced in November 1999.

Canada has a population of approximately 33.3 million people. The 2008 GDP for Canada—at current prices—is \$USD 1.5 trillion (source: World Bank). This figure is comparable to the economic size of Texas (\$USD 1.2 trillion) or Spain (\$USD 1.4 trillion).

Morningstar employs 125 people and operates out of Toronto (main office) as well as Montreal (sales office).

Morningstar Canada Revenue Growth



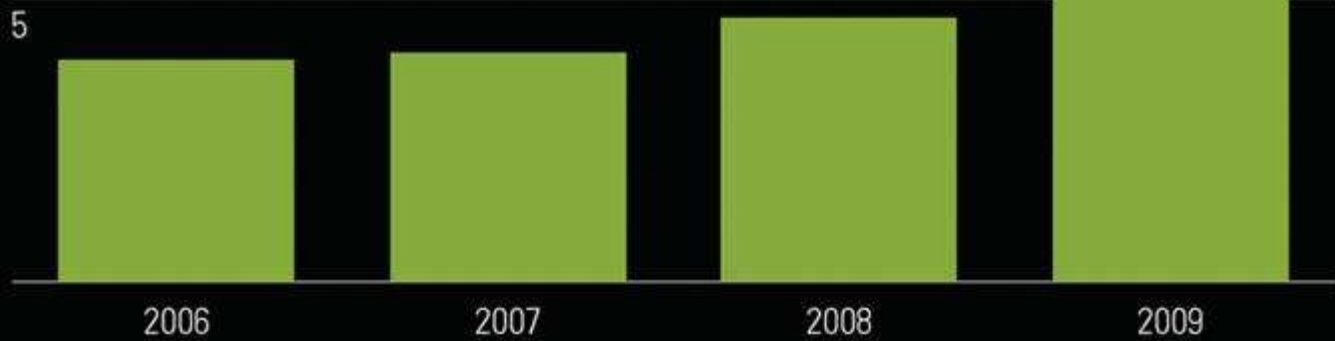
In 2002, revenue was \$8.3 million (CAD). Since then, revenue has almost tripled to \$23 million (CAD).

\$17.6 million (CAD) of 2009's revenue came from organic sources and the balance reflects eight months of acquisition revenue, mainly from CPMS and Andex. We acquired both Andex and CPMS on May 1, 2009.

Morningstar Canada Operating Income

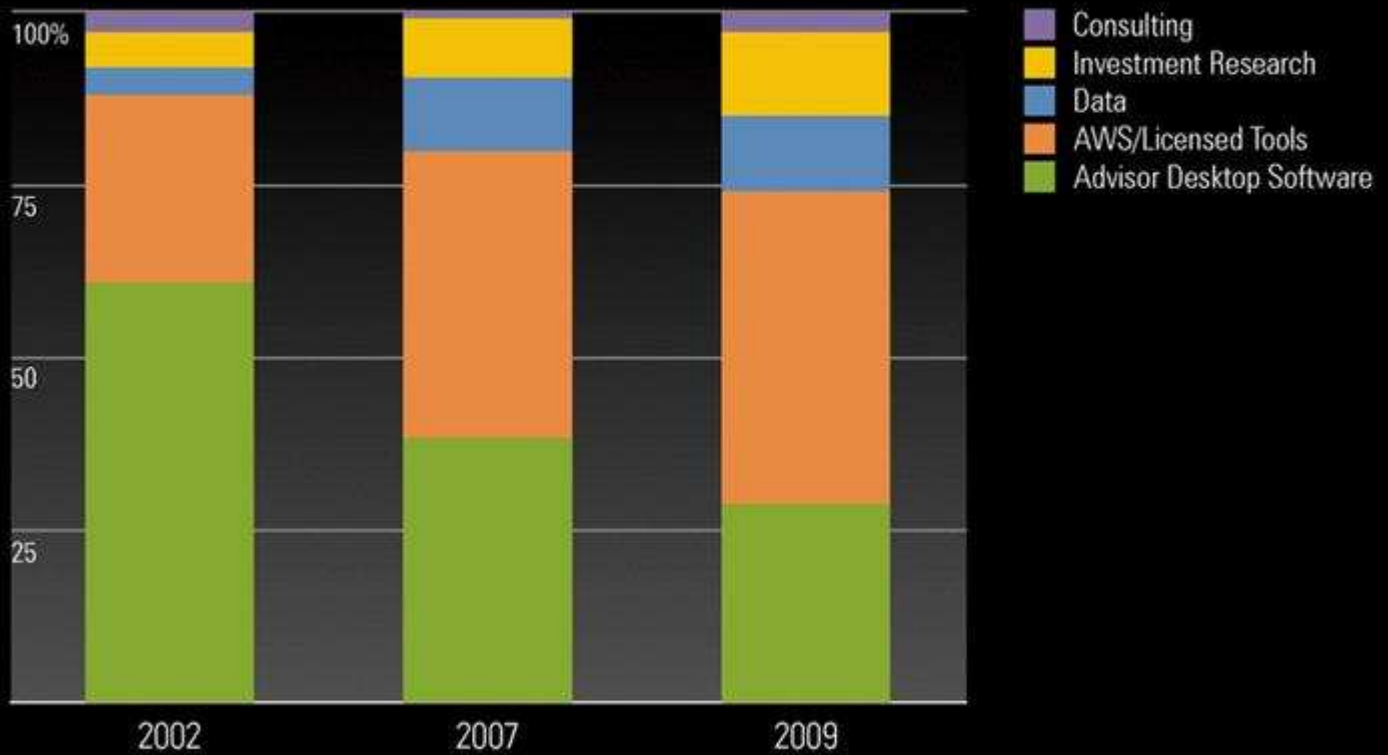
Organic CPMS Andex

CA \$10 Mil



Operating income in 2009 was \$7.5 million (CAD), representing a 92% increase over the past 3 years. About 46% of that growth has come from the organic portion of the business.

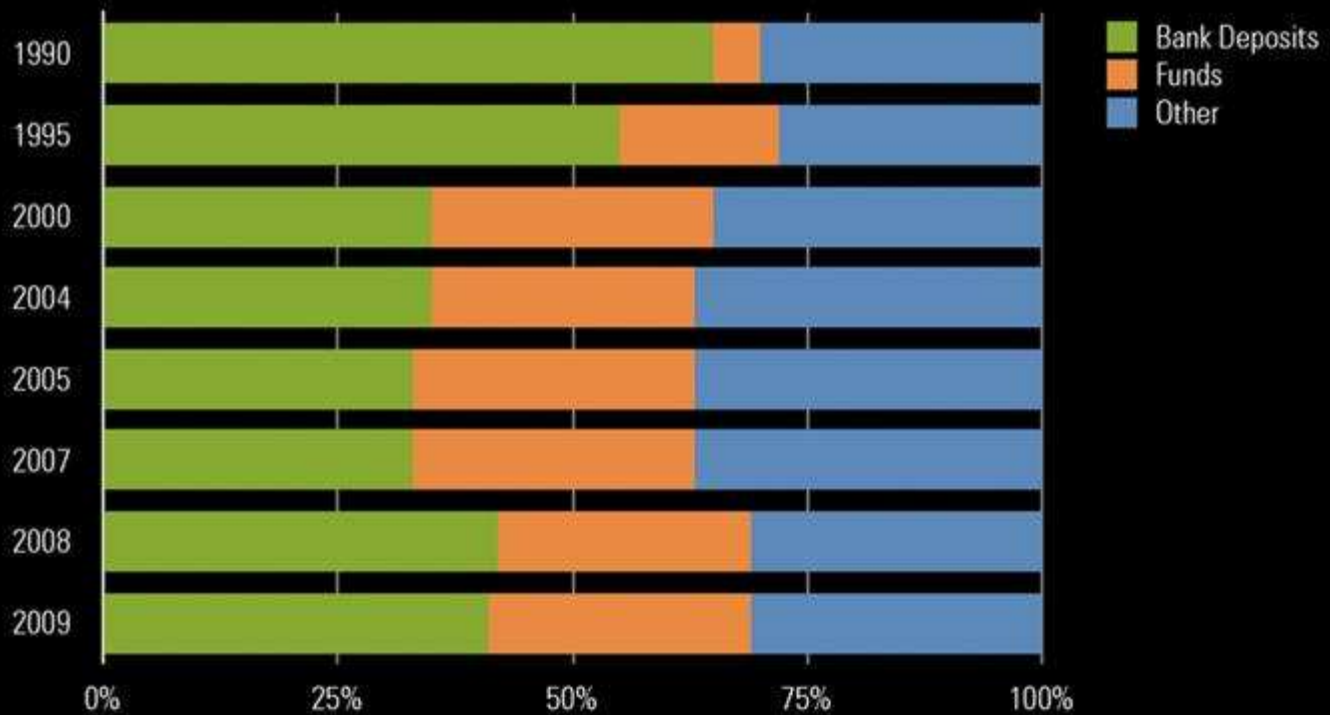
Organic Revenue Mix



In 2002, 61% of revenue came from advisor desktop software. By 2009, with increased focus on web-based software and other lines of business, desktop software now represents only 29% of total revenue. Consulting services is the fastest-growing revenue source in terms of product mix.

Canadian Investment Landscape

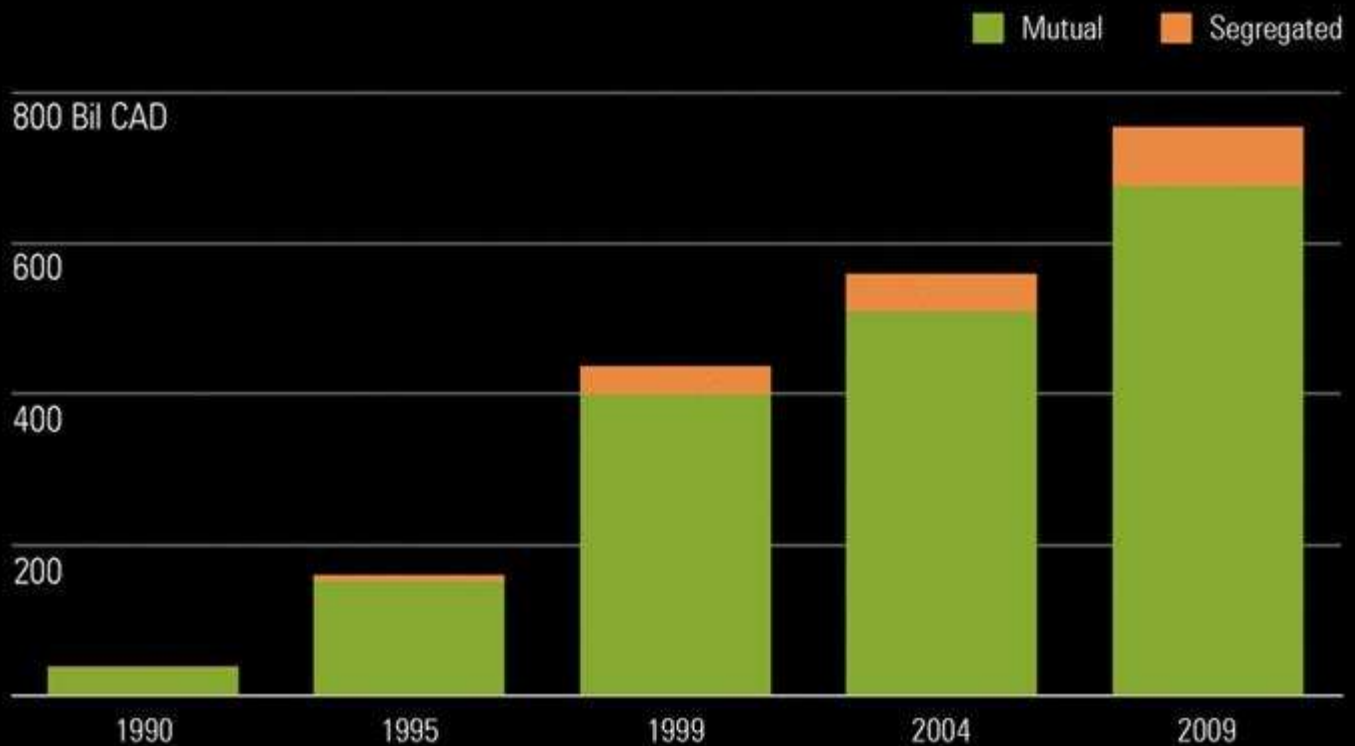
Share of Household Financial Wealth



Source: Investor Economics Inc

Bank deposits represented 65% of household financial wealth (sometimes referred to as “investable assets”) in 1990. By 2009, bank deposits represented only 41% of household financial wealth. The change is a reflection of the move from bank deposits to investment funds, which topped 28% in 2009 from just 5% back in 1990.

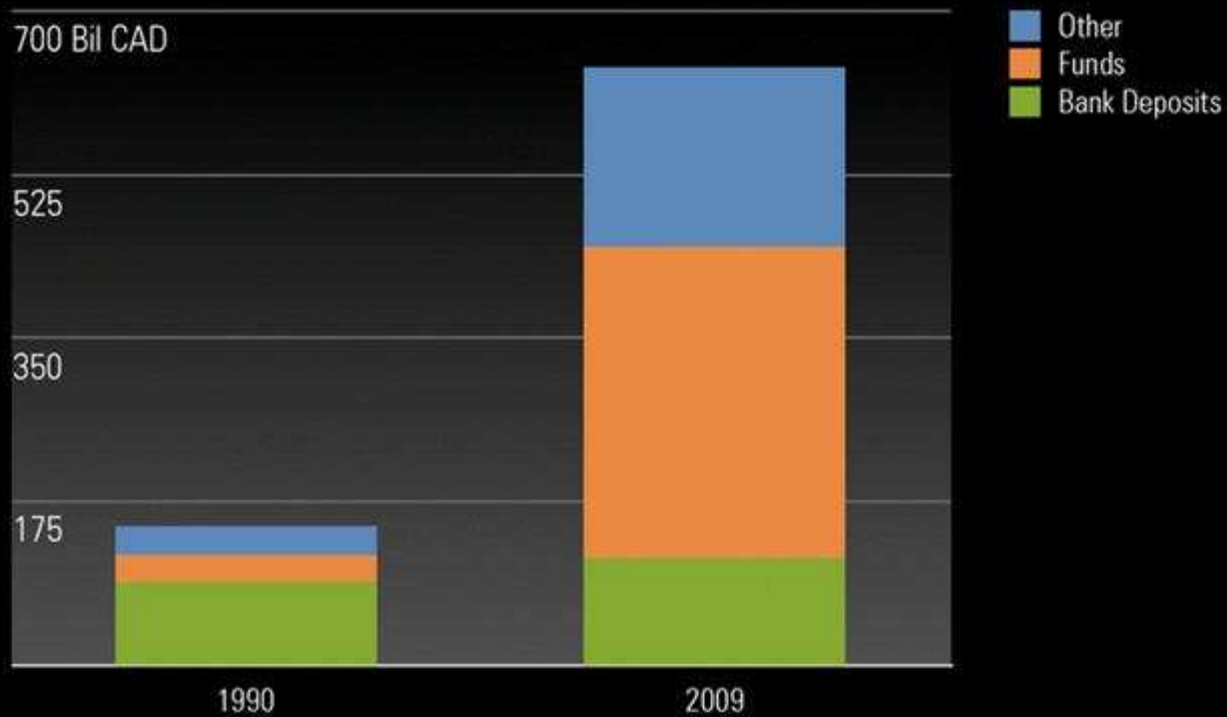
Growth of Mutual & Seg Funds (in Billions of CDN Dollars)



Mutual and segregated funds (which are analogous to variable annuities in the United States) have grown dramatically over the past 20 years.

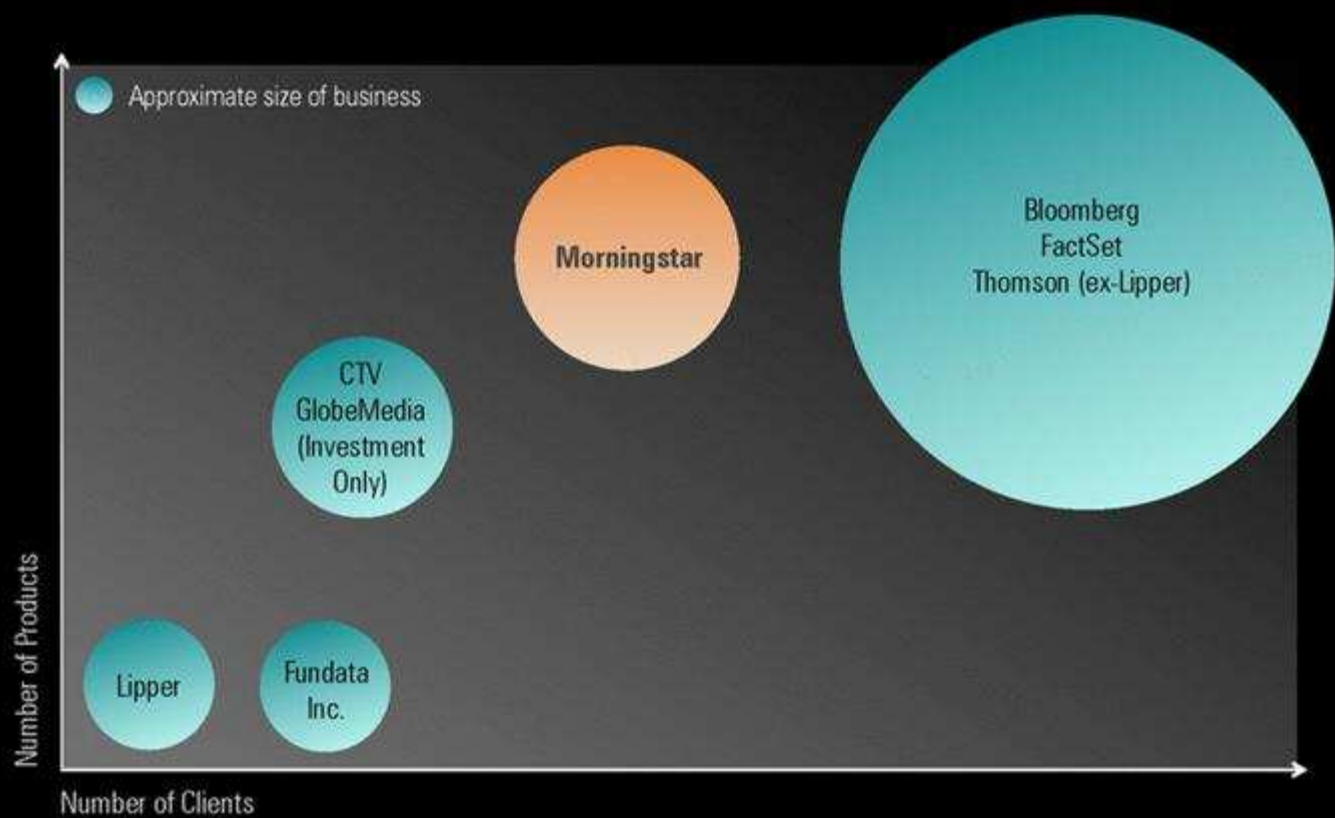
Segregated funds continue to grow in terms of share of total investment funds. In 2009, segregated funds represented 10% of the total funds market. In 1990, they represented only about 5%.

RRSP Assets (in Billions of CDN Dollars)



The tax-deferring Registered Retirement Savings Plans (RRSPs) are arguably the most engaging segment of individual investing and are seen by many as a necessary supplement to national pension and corporate pension plans. Investment funds are the dominant investment vehicle (at 52% of assets), up considerably from just 19% in 1990.

Competitive Landscape



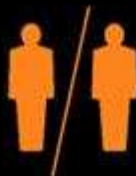
While difficult to quantify precisely, the above graph provides perspective in terms of the relative positioning of Morningstar relative to our most relevant competitors. The size of the businesses represented relate only to the segments of each in which Morningstar competes. For our traditional fund tool offerings, Globe, Fundata, and now Lipper are the most relevant competitors. For our CPMS and other stock tool offerings, Bloomberg, FactSet, and Thomson Reuters are the more relevant players.

Major Initiatives

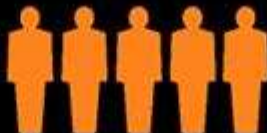
Retail



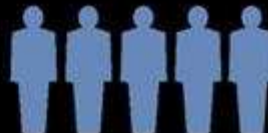
Advisor



Consulting



CPMS



Here are a few of the major initiatives we have planned. In the retail area, we plan to launch our first Premium version of www.morningstar.ca.

In the advisor area, we plan to launch Morningstar Advisor Workstation 2.0 in Canada this summer. We also plan to introduce new SiteBuilder deployments and improve the user interface and content for desktop software.

In our consulting business, we're focusing on expanding our Morningstar Associates and Ibbotson Associates businesses in Canada. We're also working on expanding the product and client base for our successful risk model, as well as building our fund of funds business.

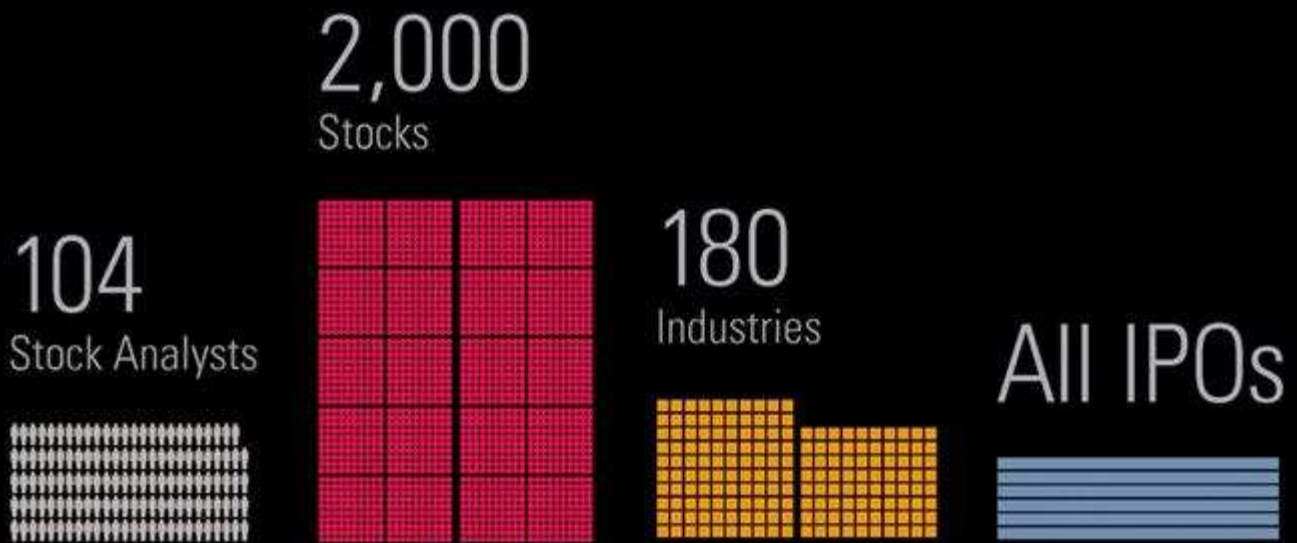
With CPMS, we plan to tier our product offerings to help open new, larger markets. We're introducing an Advisor Edition of CPMS in United States and Canada and improving the user interface to increase scalability.

MORNINGSTAR®

Equity & Credit Research Business (Life After GARS)

Catherine Odelbo
President, Equity & Credit Research

Overview of Equity Research



Our equity research asset remains robust. Globally, we have more than 100 stock and credit analysts covering 2,000 companies across 180 industries. They also cover every company that files for an initial public offering in the U.S. market. We make our research available to retail, advisor, and institutional investors, in various flavors and pricing models.

Institutional Equity Research

Key Products and Audience

- ▶ Analyst access, full financial models, detailed company & sector reports
- ▶ Competitive Advantage (Economic Moat), Fair Value & Uncertainty analysis
- ▶ Investment ideas
- ▶ Money managers; buy-side analysts; pension and endowment investors

One of our most exciting new businesses is our Institutional Equity Research Service. About a year before the Global Settlement wound down, we launched this service for investment managers. The service offers them and their analysts access to our analysts, our financial models on every company we cover, and our in-depth reports. We also offer investment ideas, buy lists, and model portfolios geared to our clients' investment styles.

Institutional Equity Research

The Business Opportunity

- ▶ \$3 billion in the addressable global market for fundamental equity research
- ▶ 6,000 investment management firms globally
- ▶ Subscription revenue model

Our global addressable market for fundamental investment research is approximately \$3 billion, encompassing about 6,000 investment management firms. We have a subscription-based revenue model with pricing in the tens of thousands of dollars, adjusted for usage.

Institutional Equity Research

Our Value Proposition

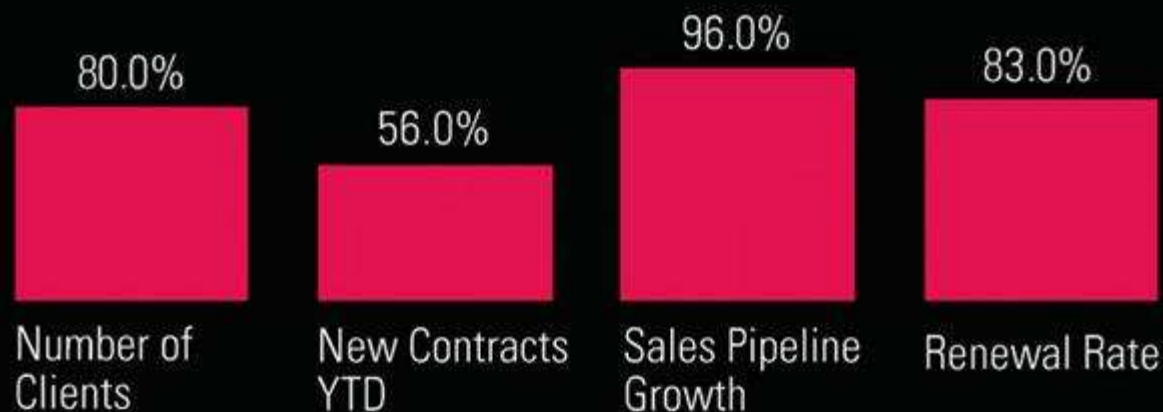
- ▶ The only independent equity research shop in the world with sell-side scale and service
- ▶ No ax to grind
- ▶ Strong performance track record
- ▶ Outsource to us at a fraction of the cost of adding headcount

Our independence, performance, and scale give us a unique position in the marketplace. We can effectively compete against the sell-side, without all the baggage that comes with the sell-side's conflicts of interests. Our clients know that we are really working for them, because we sit on the same side of the table.

Momentum Is Strong...

YoY (%) Growth of Our Institutional Equity Research Business

YTD April 2010



	April 2009	April 2010
Number of Clients	35	63
New Contracts YTD	9	14

We're adding new clients at a healthy clip; our sales pipeline is growing nicely; and our renewal rate is strong.

New Initiatives

Our New Research Initiatives...

- ▶ Leverage our expertise in equity research
- ▶ Add a new security class—structured credit—to Morningstar's dataset
- ▶ Expand Morningstar's addressable market

We're leveraging our equity research asset into new businesses.

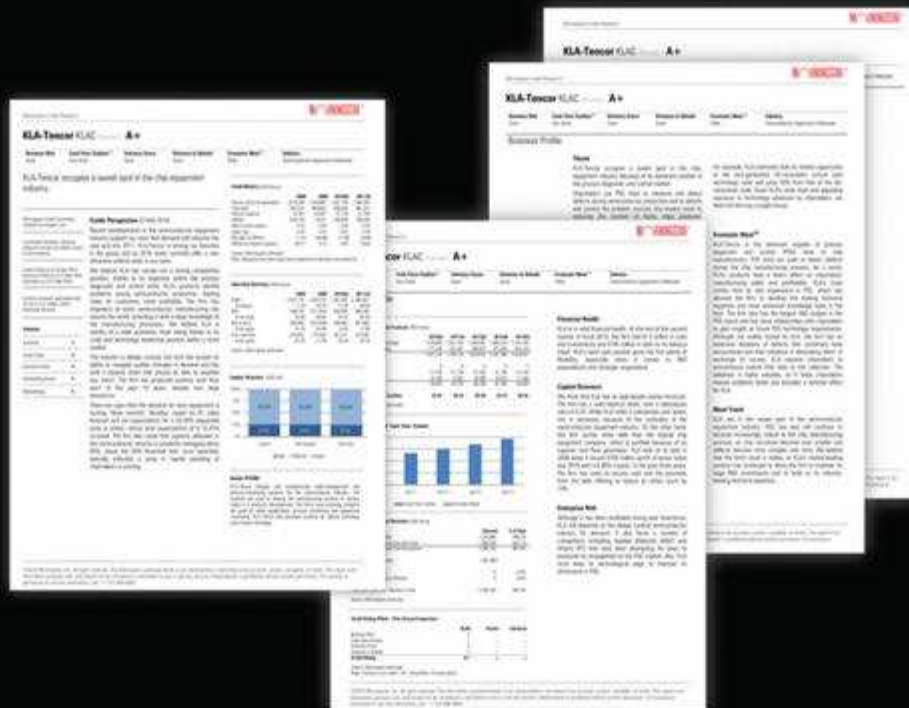
Morningstar Corporate Credit Research

Key Products and Audience

- ▶ Corporate credit ratings and research on 700+ issuers
- ▶ Company credit reports for advisors/brokers
- ▶ Credit modeling, analyst access and investment ideas for institutional investors

We launched our corporate credit research initiative last December. Our equity analysts, who already produce full cash-flow models and all the relevant projections on the companies they cover are now applying their expertise to produce credit ratings on the subset of companies with debt outstanding. We offer free access to our credit ratings, and subscription-based access to the underlying research and investment ideas.

Morningstar Corporate Credit Research



This shows a sample credit research report.

Morningstar Corporate Credit Research

The Business Opportunity

- ▶ The time is right for a new entrant
- ▶ Cutbacks in sell-side credit research
- ▶ Multibillion-dollar market for credit research
- ▶ Expand addressable market and deepen existing client relationships

The time is right for a new, trusted entrant in credit research. There is a lot of discontent with the status-quo credit raters, and the sell-side has cut back on credit research. Yet investor interest in credit research hasn't waned. There is an opportunity to expand Morningstar's addressable market and deepen client relationships.

Morningstar Corporate Credit Research

Our Value Proposition

- ▶ Trusted brand
- ▶ Forward-looking: Economic Moats, future free cash flows, scenario analysis
- ▶ Consider all of a company's obligations, not just debt
- ▶ Depth: full cash-flow models for each company
- ▶ Breadth: we cover the companies investors care about
- ▶ Timeliness: quarterly updates minimum, event-driven

Our analysts are experts on the entire capital structure of the companies they cover. They apply a forward-looking approach to their analysis of both equity and debt, and they consider all of a company's obligations, not just debt when rendering their credit opinion. With full cash-flow models on each company, coverage of more than 700 issuers, and quarterly updates at a minimum, we deliver the depth, breadth, and timeliness that investors want.

Morningstar Corporate Credit Research Process



We have a rigorous process. For detail on our credit ratings methodology, please visit <http://corporate.morningstar.com/US/asp/subject.aspx?xmlfile=374.xml&filter=2977>.

Morningstar Corporate Credit Research

Strategic Rationale

- ▶ Leverages our equity research staff
- ▶ Expertise across a company's entire capital structure
- ▶ Credit ratings flow through each of Morningstar's 3 platforms
- ▶ Subscription fees from our Institutional Research service
- ▶ Licensing fees from Broker/Advisor clients

Our credit research leverages work our equity analysts are already doing, adding expertise across the entire capital structure of the companies they cover. Our credit ratings enhance Morningstar's three main platforms. We earn subscription revenue from our Institutional Research Service, and enterprise-wide licensing fees from Broker/Advisor clients.

Realpoint

What it is

- ▶ Commercial Mortgage-Backed Securities (CMBS) research and surveillance service with a subscription-based revenue model
- ▶ Realpoint is an NRSRO (Nationally Recognized Statistical Ratings Organization)
- ▶ Realpoint has rated three new CMBS offerings using an issuer-pay revenue model

We completed our acquisition of Realpoint on May 3. Realpoint is a Nationally Recognized Statistical Ratings Organization (NRSRO) specializing in Commercial Mortgage-Backed Securities (CMBS).

Realpoint

Key Products and Audience

- ▶ Research, ratings, and monthly surveillance on all 700+ CMBS in the secondary market
- ▶ CMBS Workstation—web-based platform for accessing research and monitoring holdings
- ▶ New-issue CMBS ratings and research
- ▶ Institutional investment managers; banks; insurance companies; broker-dealers

Realpoint offers research, ratings, and monthly surveillance on all 700+ CMBS in the secondary market. Realpoint entered the new-issue ratings market in late 2009, and it has been hired by three issuers to rate their new credits. There are 225 institutional investment managers, banks, insurance companies, and broker-dealers who rely on Realpoint's CMBS ratings and research.

The Business Opportunity

- ▶ Failure of status-quo ratings of structured credits during the financial crisis opens the door to new entrants
- ▶ Realpoint has investor support for new-issue ratings
- ▶ New SEC rules promoting unsolicited ratings encourage investor-pay business models for new-issue ratings
- ▶ Investor/issuer-pay hybrid revenue model

The financial crisis has revealed the failure of status-quo ratings of structured credits, opening the way for new entrants in the ratings space. Realpoint has a strong reputation among institutional investors for its timely and accurate research. CMBS investors are demanding new-issue ratings from Realpoint.

Our Value Proposition

- ▶ The most transparent and rigorous CMBS research of any ratings agency
- ▶ Maintain loan-level data
- ▶ Underwrite nearly every property underlying every loan
- ▶ Monitor and update loan-level research every month
- ▶ Investors, not issuers, pay Realpoint for surveillance and maintenance, aligning its interests with investors
- ▶ Trustworthy new-issue ratings

Realpoint has a transparent and rigorous research process, underpinned by loan-level data, property-level data, and monthly updating of the data going back a decade. Realpoint's surveillance business aligns with the needs of investors, making Realpoint's new-issue ratings highly trustworthy.

Realpoint: New Issue Ratings Process



Realpoint has a rigorous ratings process. For more detail, please visit www.realpoint.com.

Realpoint

Strategic Rationale

- ▶ Expand our research capability to structured finance
- ▶ Expand our credit research initiative
- ▶ Realpoint's "investors first" business model comports with Morningstar's
- ▶ Expand Morningstar's addressable market to structured-finance investors and issuers

Bringing Realpoint into the Morningstar fold builds on our credit research capability and expands our addressable market to structured finance investors and issuers. Our "investors first" business models mesh well, and Morningstar brings balance sheet strength and capital to Realpoint so it can compete at a higher level in the marketplace.

Crushing the Black Box



Realpoint Selected as New-Issue Rating Agency for
Inland Western Real Estate Trust Inc. CMBS / JPMCC 2009-TWST

Investors have long been seeking a better approach to ratings. As a market leader in the structured finance market, Realpoint is committed to providing investors with unprecedented transparency of the ratings process, comprehensive pre-sale analysis, access to Realpoint's proprietary underwriting, and ratings based on strong, fundamental credit analysis. The Black Box doesn't stand a chance.

Demand Realpoint ratings on new-issue securities, and decide for yourself.

Realpoint is a nationally recognized credit rating agency that has earned a reputation for innovation and excellence in the structured finance market. Our goal is to increase market transparency and provide investors with the highest quality ratings and analysis by offering a wide array of security research, surveillance services, data, and technology solutions. Now that you know that Realpoint is inside, there's nothing credit risk is structured finance investments.

www.realpoint.com | 800.299.1665



A New Day, A New Way



RESTORING INVESTOR CONFIDENCE

Realpoint, the only rating agency covering the entire CMBS market, redefined the way investors viewed secondary market analysis for CMBS, and built a strong reputation by representing the interests of investors. As a nationally recognized TALE approved rating agency, Realpoint is now transforming the market for new issue CMBS ratings and analysis by providing investors with unprecedented transparency, access to Realpoint's proprietary underwriting, and ratings based on strong, fundamental credit analysis.

It's time for a new approach.

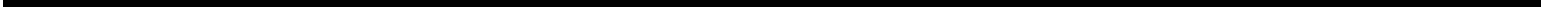
Demand Realpoint ratings on new-issue securities, and decide for yourself.

www.realpoint.com
800.299.1665



Morningstar Asia

Jin Tian
CEO, Morningstar Asia



Asia Sales Overview

Clients

500+

Client Countries

15

Morningstar Offices

8

2009 Revenue

\$10M

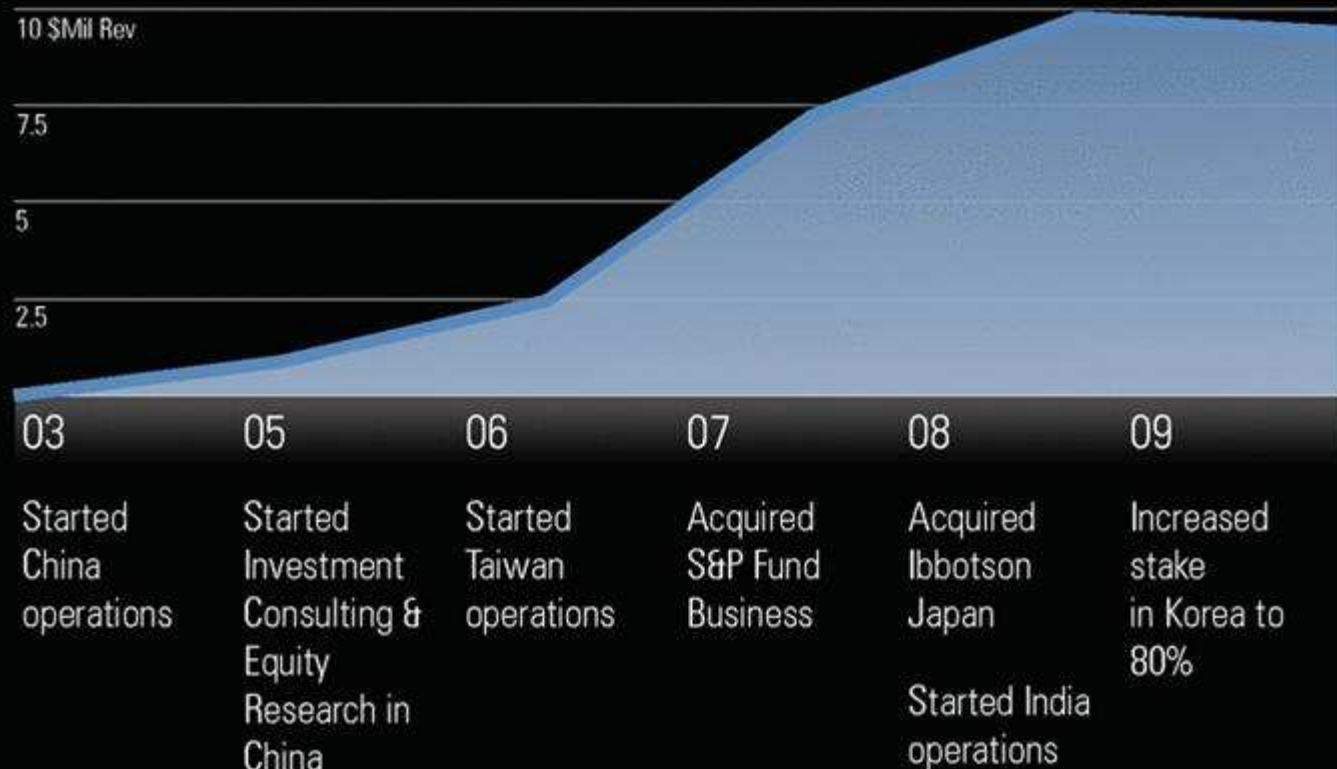
Employees

107



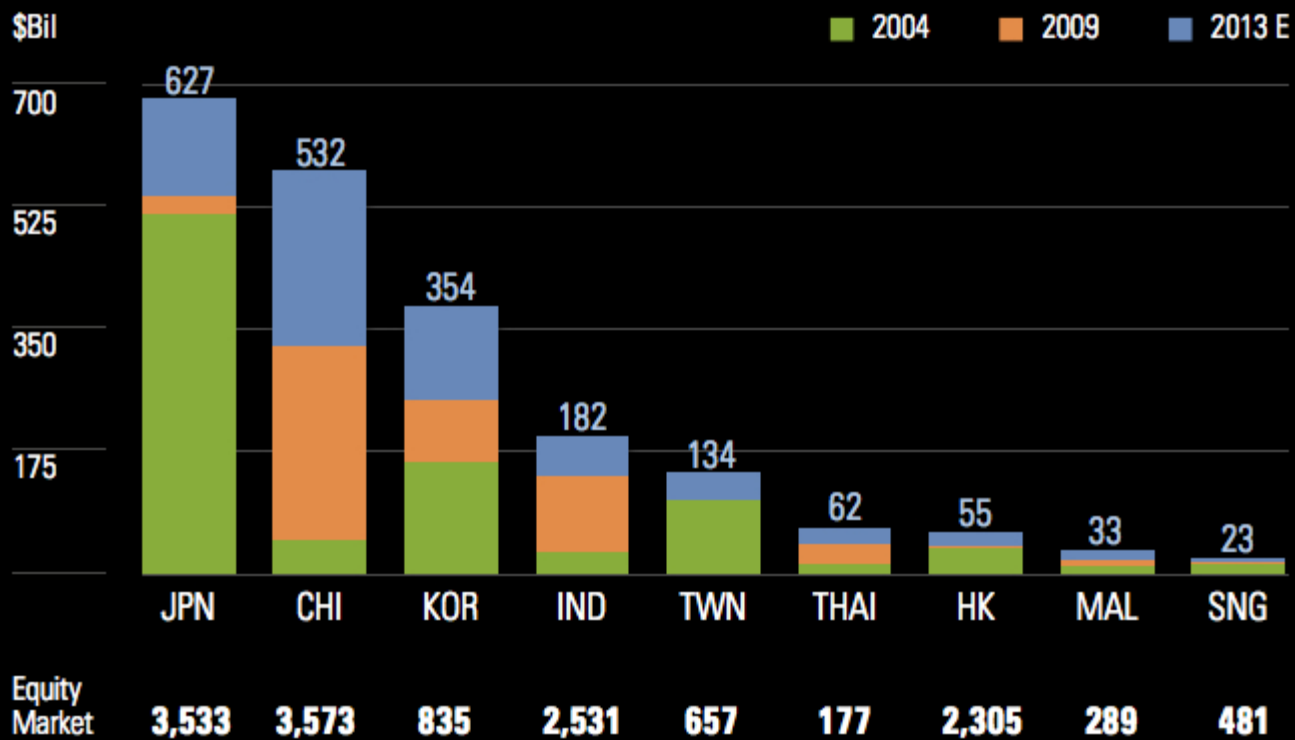
Morningstar entered the Asian market in 2000 with the opening of our Hong Kong office. Since then, we've grown rapidly through both organic expansion and acquisitions in Asia. Today, we have more than 100 professionals working in eight different offices serving more than 500 institutional clients from 15 countries in Asia.

Morningstar Asia Growth



We've seen steady growth over the past 10 years, with the exception of 2009, when revenue was down modestly. We've made several key acquisitions—including the fund data business from S&P Ibbotson Associates Japan, and Morningstar Korea—which have accelerated our growth in Asia.

Asian Mutual Fund Markets: Large & Growing

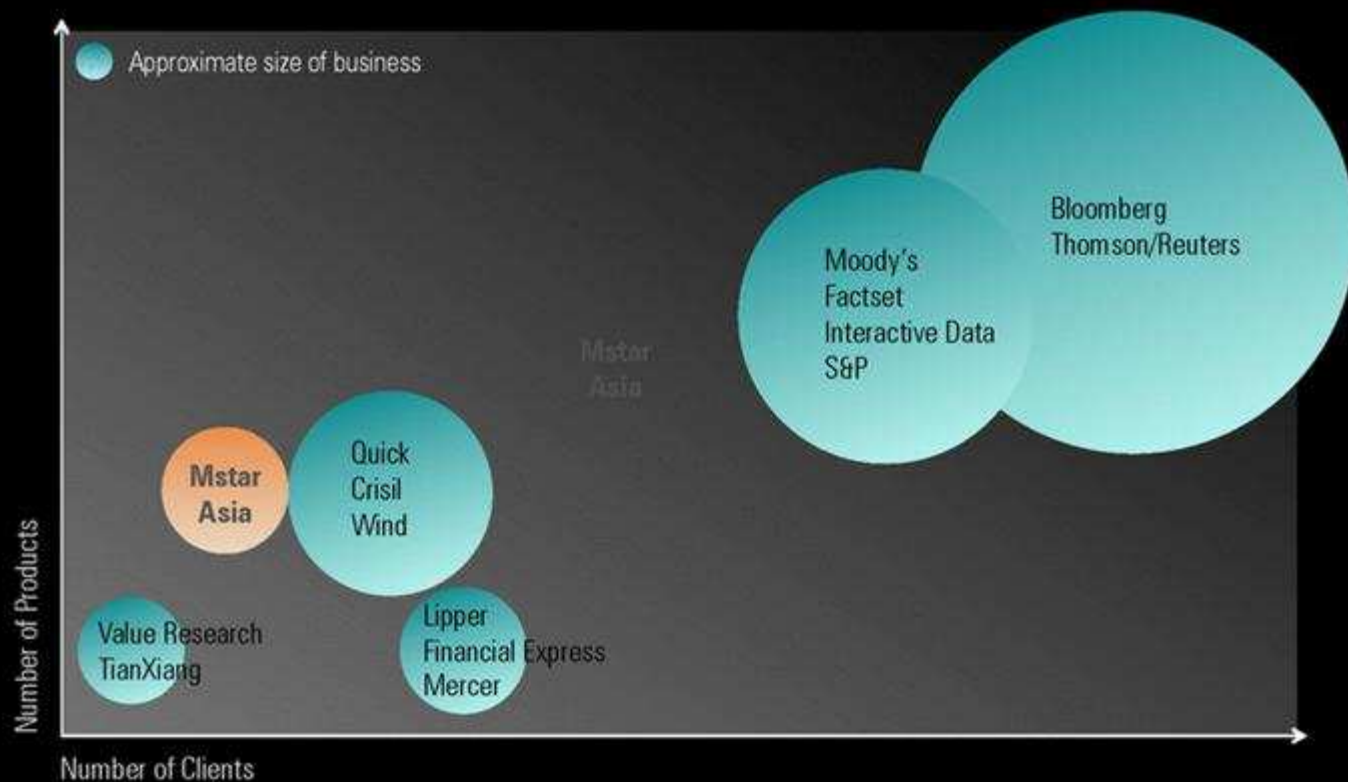


Source: Cerulli Associates, World Federation of Exchanges, Investment Company Institute

The growth of Morningstar in Asia has coincided with mutual fund industry growth in Asia markets. Over the past five years, fund assets in Asia have increased by 50%. Over the next five years, the growth is expected to remain strong with an increase to nearly \$1.9 trillion, or 47% above the 2009 levels.

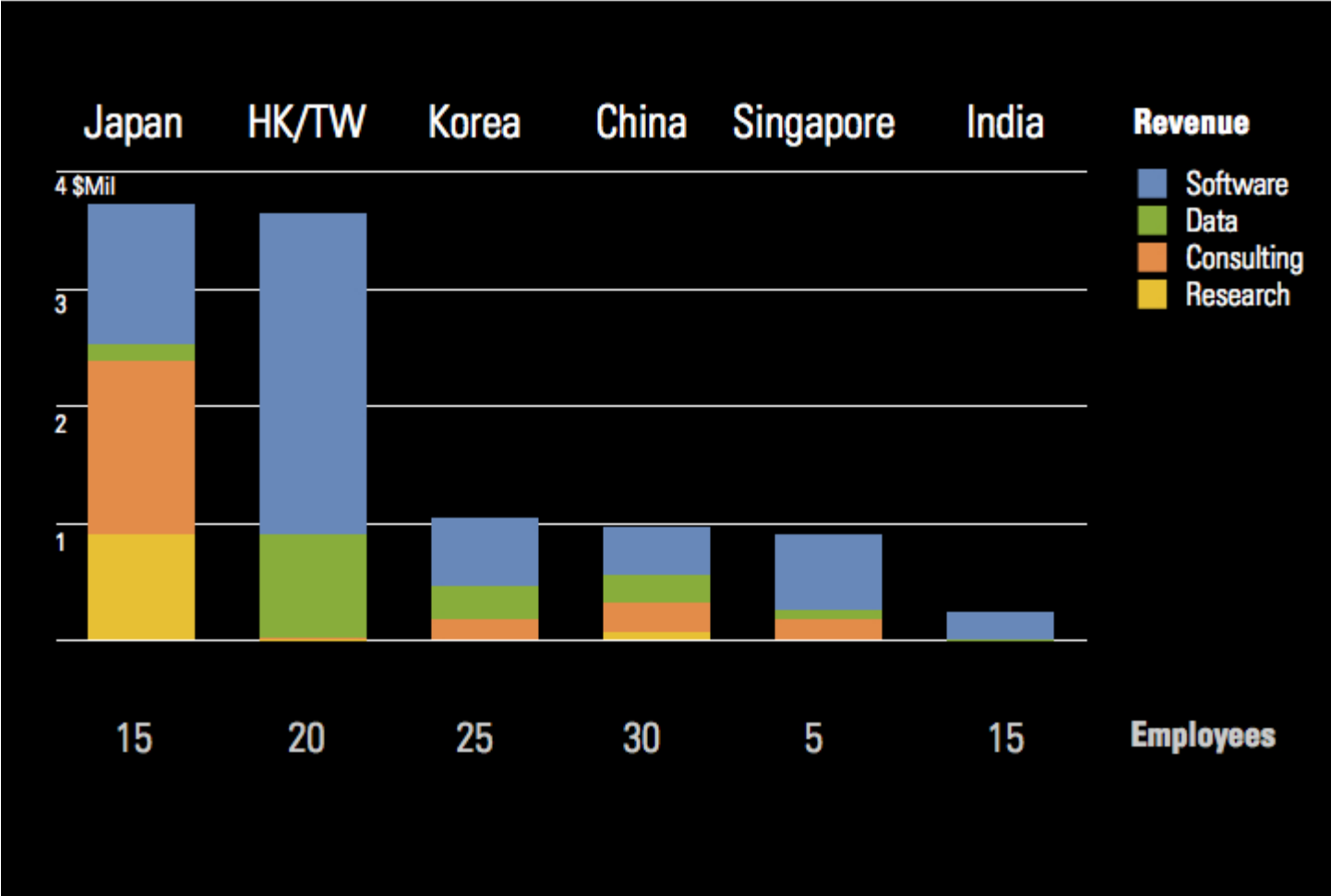
It's also worth noting that Asia has large equity markets with USD \$14.7 trillion in traded market value according to the World Stock Exchange as of 12/31/2009.

Competitive Landscape



Morningstar is still a relatively new entrant in many markets in Asia. We compete with a wide range of competitors in every market, from single product competitors in one country to regional and international players with a more diverse set of products. We believe we have ample growth opportunities and plan to expand by delivering services to more clients across the region.

Revenue by Product



We have a diverse mix of product revenue across our operations in Asia. This is based on the local market conditions and the historical focus of each of the countries. We plan to develop additional products in each of these local markets to meet customer needs.

Major Initiatives

Establish
Product
Management



Diversify
Software
Offerings



Expand Local
Market
Research



Expand
Sales
Force



We're focusing on four major initiatives to capture the opportunities in Asia:

- Establish local product management teams to localize Morningstar products
 - Diversify our software offerings for advisors, individuals, and institution
 - Continue to develop intellectual capital by expanding our Asian market research
 - Expand our sales resources to capture the opportunities in this large and growing market
-

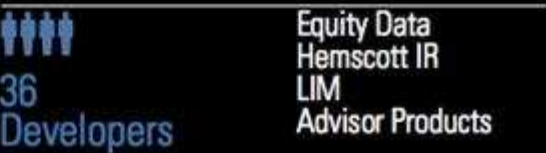
Development Center Overview

Offshore Snapshot

China

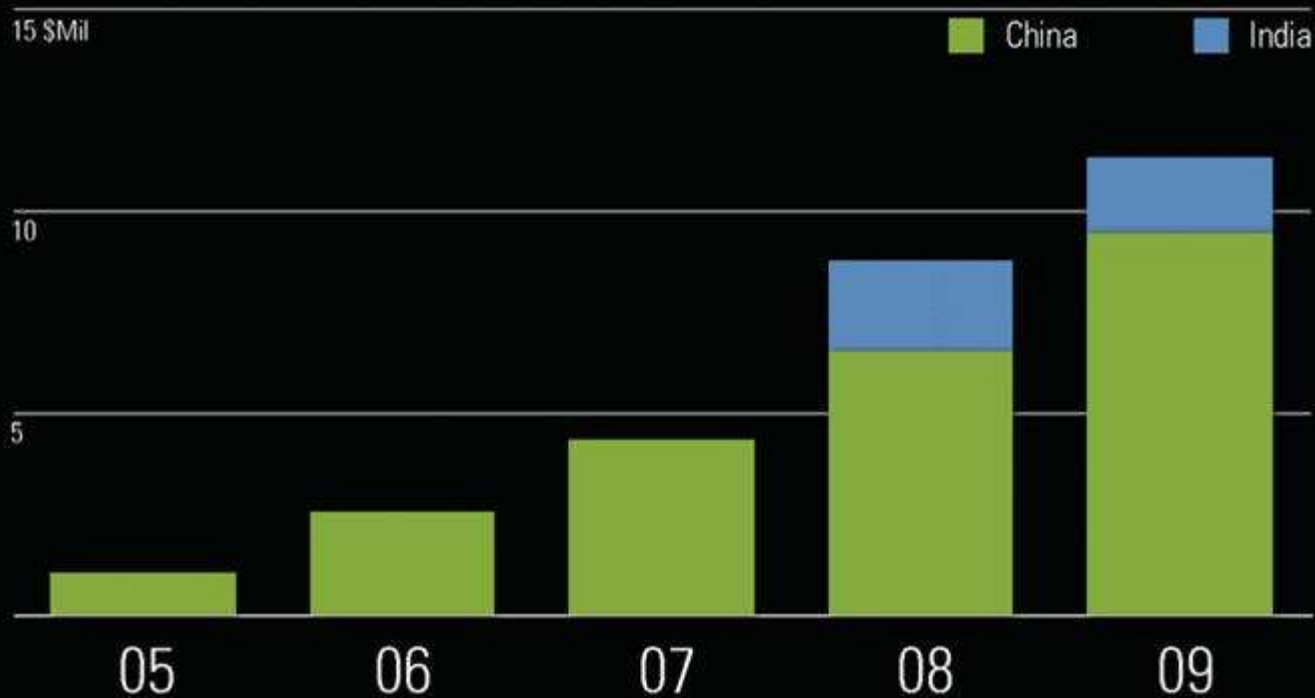


India



We have established offshore development centers in both China and India. These centers provide data acquisition and processing services for our global operations covering all of our core databases. These offshore centers also provide software development for our main software platforms.

Development Expenditures



We've significantly increased our spending for the China offshore center over the past five years. We obtained an offshore center in India in 2008 via the Hemscott acquisition.

Benefits for Development Center

Financial



Time



Talent Pool



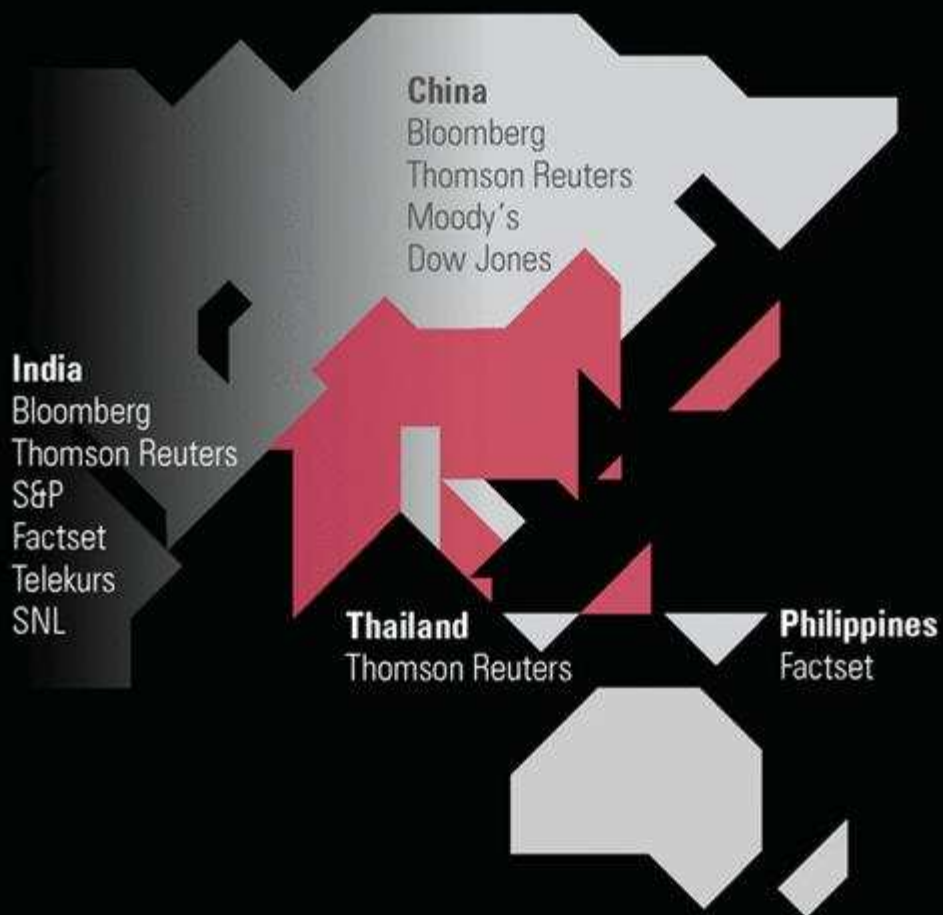
Deploy Locally



Morningstar realizes a wide range of benefits from its development center activities.

- Financially , the labor cost is less than 20% of the cost in United States.
 - The time difference between the offshore center and United States and Europe make it possible to have work done before the market open.
 - Both development centers have access to large pools of talent.
 - Finally , the products developed in these markets can be deployed in China and India.
-

Competitors Operating Development Centers in Asia



Morningstar is not alone in setting up the offshore center in Asia. Many of our competitors also have similar operations in Asia, especially in India and China.

Development Center Initiatives

New
Facilities



Build Up
India



Expand
Activities



We have three major initiatives focused on the development centers:

- We are building a new Shenzhen facility with capacity for 1,000 employees.
 - We recently opened a new facility in Mumbai, which can house 220 employees.
 - More of our business operations throughout Morningstar are moving functions into the offshore centers.
-

MORNINGSTAR®
