

MORNINGSTAR, INC.

FORM 8-K (Current report filing)

Filed 8/1/2006 For Period Ending 8/1/2006

Address	225 WEST WACKER DRIVE CHICAGO, Illinois 60606
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CIK	0001289419
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

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**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): **August 1, 2006**

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.)

225 West Wacker Drive
Chicago, Illinois
(Address of principal executive offices)

60606
(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 8.01. Other Events.

On August 1, 2006, Morningstar, Inc., an Illinois corporation, issued a press release and a fact sheet announcing that it had completed its previously announced acquisition of the institutional hedge fund and separate account database of InvestorForce, Inc., copies of which are filed as Exhibits 99.1 and 99.2.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued August 1, 2006.
99.2	Fact Sheet issued August 1, 2006.

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: August 1, 2006

By: /s/ Martha Dustin Boudos

Name: Martha Dustin Boudos

Title: Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued August 1, 2006.
99.2	Fact Sheet issued August 1, 2006.

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FOR IMMEDIATE RELEASE**Morningstar Completes Acquisition of InvestorForce's Institutional Hedge Fund and Separate Account Database Division**

CHICAGO, Aug. 1, 2006 — Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today announced that it has completed its previously announced acquisition of the institutional hedge fund and separate account database division of InvestorForce, Inc., a Wayne, Pa.-based financial software and data integration company, for approximately \$10 million in cash, subject to post-closing adjustments. The acquisition includes both the Altvest™ database, one of the first and largest online databases covering active hedge funds, managers, and data, along with InvestorForce's extensive institutional separate account database. It also includes several online software applications for manager search, research, and reporting.

As part of the agreement, InvestorForce will license Morningstar's hedge fund, mutual fund, and separate account data for InvestorForce's Web-based enterprise platform, which is used by pension consultants to manage the positions, transactions, analysis, and reporting for their plan sponsor clients.

After the integration of the Altvest™ database, Morningstar's hedge fund coverage will increase from more than 3,000 active funds to approximately 6,000, making it one of the largest global hedge fund databases available today. InvestorForce's separate account database will add approximately 1,500 separate accounts to the widely used Morningstar database, bringing the total coverage to about 6,000.

For more information, please see the accompanying fact sheet, which is available at <http://corporate.morningstar.com/US/investorforcedatabaseacquisition>.

About Morningstar, Inc.

Morningstar, Inc. is a leading provider of independent investment research in the United States and in major international markets. The company offers an extensive line of Internet, software, and print-based

products and services for individuals, financial advisors, and institutions. Morningstar provides data on approximately 145,000 investment offerings, including stocks, mutual funds, and similar vehicles. The company has operations in 13 countries and minority ownership interests in companies in three other countries.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in Morningstar’s filings with the SEC, including Morningstar’s Annual Report on Form 10-K for the year ended Dec. 31, 2005. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you read in this press release reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

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Morningstar/InvestorForce Database Division Acquisition Fact Sheet



Morningstar, Inc. has entered into an agreement to acquire the institutional hedge fund and separate account database division of InvestorForce, Inc.

We expect to complete the acquisition in August 2006. The following are some important facts for clients, data providers and journalists.

Institutional Clients

- More than 1,400 institutional investors and investment consultants worldwide will be using the combined databases for their screening, evaluation, and investment decisions.
- More than 350 accredited institutions from around the world subscribe to the Altvest™ database, which covers close to 4,000 active hedge fund products and managers.
- InvestorForce's separate account database has approximately 100 institutional subscribers.
- Morningstar DirectSM has approximately 1,000 licensed users.

Software Applications/Platforms

- Morningstar will obtain several software applications from InvestorForce for manager search, research, and proposal requests (e.g., "The Search Exchange" and "Hedge Fund Marketplace"). The company is also acquiring InvestorForce's streamlined interface that allows money managers to easily supply their performance data.

Databases

- Morningstar currently has data on approximately 3,000 hedge funds. After integration of the Altvest™ database, Morningstar's coverage will expand to approximately 6,000 active hedge funds, making it one of the largest global hedge fund databases available today. Where there is overlap in funds, the depth of coverage will expand for both Morningstar and InvestorForce clients because each company collects different information from managers.
- InvestorForce's database will add approximately 1,500 separate accounts to the Morningstar database bringing the total coverage to about 6,000 separate accounts. Morningstar currently provides data on approximately 4,700 separate account strategies from more than 1,000 money managers.
- Where there is overlap in separate account and commingled fund strategies, Morningstar clients will gain many additional data points, including additional contact information, an expanded ownership description, and a list of the manager's largest clients in each country.
- Subscribers to Morningstar DirectSM, the company's Web-based institutional research platform, will gain new hedge fund data points such as the names of principal contacts and fund manager biographies as well as the hedge fund's regional and economic sector investment focus, while InvestorForce subscribers will gain additional funds.
- Once the database combination is complete, InvestorForce database clients will have access to representative portfolios for thousands of separate accounts and commingled funds from Morningstar's database.
- Morningstar expects to roll out the combined databases this fall.