



News Release

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FOR IMMEDIATE RELEASE

ELEMENTSSM Exchange-Traded Notes Based on Morningstar[®] Wide Moat FocusSM Total Return Index Launch Today

CHICAGO, Oct. 18, 2007—Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today announced that the ELEMENTSSM platform is launching exchange-traded notes (ETNs) based on Morningstar's proprietary Wide Moat FocusSM Total Return Index. The Wide Moat Focus ELEMENTS ETNs will begin trading on the New York Stock Exchange Arca today under the symbol (WMW).

ELEMENTS ETNs are brought to the market through industry-wide relationships among index providers, investment-grade issuers, distributors, and securities exchanges. Deutsche Bank will issue the Wide Moat Focus ETNs, and they will be distributed by Nuveen Investments and Merrill Lynch. ELEMENTS ETNs are designed to track the total return of specific market indexes and seek to provide convenient access to strategies and markets that traditionally have not been readily available to individual investors.

This is the first investment vehicle to track the Morningstar Wide Moat Focus Total Return Index. The Index was officially launched under the current rules with real-time calculations in April 2007, although the back-history of the Index dates back to 2002. The term "wide moat" was originally coined by Warren Buffett, who refers to companies with wide moats as those with sustainable competitive advantages. The Wide Moat Focus Total Return Index is composed of the 20 wide-moat stocks with the best valuations as measured by the Morningstar price/fair value ratio. Morningstar analysts determine price/fair value by using Morningstar's discounted cash-flow model to estimate fair values for each of the companies they cover, and comparing the price of each stock to its fair value estimate. Morningstar identifies several sources of economic moats including high customer-switching costs, patents, copyrights and other government protections, economies of scale, and the ability to produce goods or services at a very low cost.

“The Wide Moat Focus Total Return Index illustrates Morningstar’s unique, long-term approach to stock analysis,” said Pat Dorsey, Morningstar’s director of stock research. “The Index exposes investors to high-quality companies that consistently generate high returns on capital.”

Morningstar’s 100 stock analysts assign moat ratings of Wide, Narrow, or None to the 2,000 stocks in their coverage universe. Morningstar has assigned moat ratings to stocks since 2002.

“When we evaluate a stock, one of the first things we examine is whether or not the company has a moat, because an enduring competitive advantage is essential for a company’s—and a shareholder’s— long-term success,” Dorsey said. “Typically, companies have moats if they can generate returns on capital higher than their cost of capital for many years. We also carefully examine the source of those profits to see if they are sustainable.”

Morningstar will reconstitute the Index quarterly to reflect changes in the Wide Moat Focus Total Return Index. Because economic moats reflect firms’ underlying competitive advantages, which don’t change often, any changes to the makeup of the Index will likely result from changes to a firm’s price/fair value ratio rather than a change to its moat status.

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 more than 250,000 investment offerings, including stocks, mutual funds, and similar vehicles. The company has operations in 16 countries and minority ownership positions in companies based in three other countries.

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