



Paul Larson
Equities Strategist
Morningstar

Dear Fellow Investor,

I would like to take a moment to introduce myself as the new editor of *Morningstar StockInvestor*.

Before talking about me, I want to assure you that there will be no major changes to the publication. I will continue to lead the discussion about moats, fat pitches, and margins of safety. You will still have the market-beating, real-money Tortoise and Hare portfolios to take actionable ideas from. The Bellwether 50 and Mid-Caps with Moats aren't going anywhere. We'll continue to publish the Bulls vs. Bears debates and many other insights from our staff of 90-plus stock analysts. In other words, your subscription is as valuable as ever.

Now on to me. I have spent the past four years covering stocks for Morningstar, most recently as head of our natural-resources team of stock analysts. It's been a wonderful experience, not just because I enjoy analyzing companies, but also for the opportunity to develop talent on our analyst staff. Three years ago, I was the sole analyst covering the energy and utilities sectors. We now have 10 analysts focused on these sectors, as well as two mining analysts on the team.

In addition, I was the lead writer and editor for Morningstar's three most recent books on stock investing: *How to Get Started in Stocks*, *How to Select Winning Stocks*, and *How to Refine Your Stock Strategy*. All three will hit bookstores this fall.

My experiences before Morningstar were widely varied, to say the least. I'd like to think I was getting a multidisciplinary "worldly view" that Charlie Munger would approve of. After receiving an undergraduate degree in biomedical engineering, I promptly went to work at a casino as a blackjack and craps dealer—a tangent to a career track if there ever was one, but a valuable experience in learning to play the odds, and knowing the difference between an investment and a gamble.

After about a year, I quit the casino for medical school. But this career track was not for me. I started investing in stocks before beginning medical school, and I quickly fell in love. It was the early 1990s...how could you not love stocks back then? Instead of staying up all night to study gross anatomy, I was staying up to read annual reports and find new investment ideas. My grades suffered, but my portfolio flew.

People thought I was nuts when I decided I didn't want to be a doctor, but I knew stock investing was what I wanted to do with my life. I'm just as crazy about investing in stocks today as I was back then.

I spent most of the 1990s working for a fast-growing investing “dot com,” coming up with stocks to buy, writing investing articles, and even editing newsletters. I also attended school at night to earn an MBA along the way. I’ve spent the last decade refining my own investing approach, and I’m proud of the results—the portfolios I run for myself and my family have outperformed the S&P 500 each of the past five years, and I’m ahead year-to-date in 2005. My personal approach, buying and holding wide-moat companies such as Tortoise holding Wal-Mart and Hare stock Chicago Mercantile Exchange, will be very familiar to long-term *Morningstar StockInvestor* subscribers.

I look forward to bringing you the best of Morningstar’s investment ideas to help your portfolios beat the market, too. Here’s to the valuable and profitable relationship to come...

Sincerely,

A handwritten signature in black ink that reads "Paul Larson". The signature is written in a cursive, flowing style.

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