

Morningstar Weekly Market Report

U.S. Market Overview: December 29–January 05, 2007

Market Commentary

A surprising increase in new jobs in December, coupled with concerns about slowing economic growth, set markets off to a shaky start in 2007. Furthermore, plunging oil prices--while good news for consumers and most businesses--took a heavy toll on big oil stocks. The Morningstar US Market Index closed down 0.6% for the week ending Jan. 5, 2007.

The Morningstar Large Growth Index was the lone standout among the nine Morningstar style indexes with a 0.3% gain last week. As a group, small-cap stocks took the biggest hit, with the Morningstar Small Value Index dropping 1.7%, making it the worst performer.

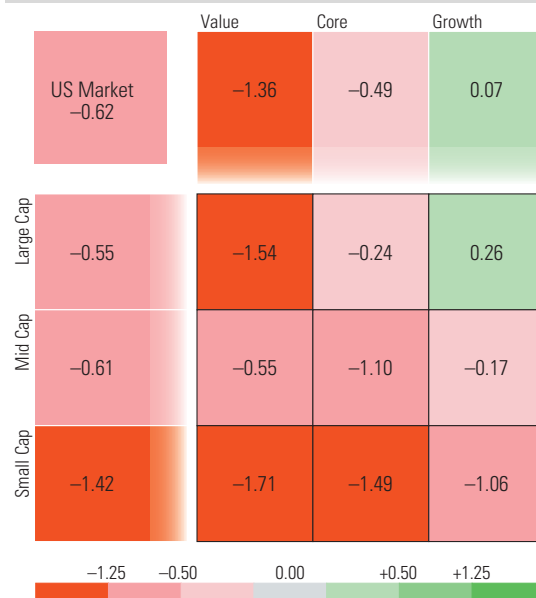
Technology bellwether Intel Corp. sparked a modest rally among large technology stocks following an analyst's upbeat comments about the company's near-term outlook. Morningstar Large Growth Index components Google Inc., Dell Inc., and Oracle Corp. added 5.8%, 4.3% and 2.9%, respectively. However, Cisco Systems Inc. made the overall biggest impact on the index, surging 4.2% after announcing an agreement to acquire privately held e-mail security firm Iron Port Systems Inc. for \$830 million.

Small-caps felt the impact of last week's lower commodity prices. Morningstar Small Value Index holdings Whiting Petroleum Corp. and Century Aluminum Co. shed 6.6% and 11.8%, respectively. At the same time, the housing downturn continues to pull down homebuilder stocks. The latest casualty was Standard Pacific Corp., which lost 7.8% last week.

Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	-0.62	4.86	-0.62	12.56	10.84	6.51
Large Cap	-0.55	4.75	-0.55	12.92	9.44	4.74
Mid Cap	-0.61	5.50	-0.61	11.21	14.98	11.24
Small Cap	-1.42	4.24	-1.42	12.28	12.97	10.90
US Value	-1.36	5.78	-1.36	19.70	15.15	11.12
US Core	-0.49	4.40	-0.49	13.61	11.62	7.07
US Growth	0.07	4.33	0.07	3.98	5.40	0.41
Large Value	-1.54	5.61	-1.54	21.01	14.34	9.68
Large Core	-0.24	4.29	-0.24	14.05	10.63	5.18
Large Growth	0.26	4.27	0.26	2.98	2.76	-1.70
Mid Value	-0.55	6.76	-0.55	15.99	17.71	14.68
Mid Core	-1.10	4.92	-1.10	10.96	13.98	12.21
Mid Growth	-0.17	4.83	-0.17	6.91	13.09	6.04
Small Value	-1.71	4.87	-1.71	15.05	15.00	15.48
Small Core	-1.49	4.31	-1.49	16.54	15.51	13.34
Small Growth	-1.06	3.54	-1.06	5.35	8.26	3.88

Morningstar Market Barometer (% Return)



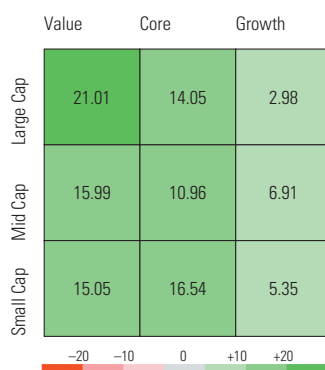
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Large Growth	0.26	
Cisco Systems Inc.	4.17	0.21
Google Inc. Cl A	5.80	0.18
Amgen Inc.	4.67	0.11
Yahoo! Inc.	8.61	0.09
Dell Inc.	4.27	0.07
Worst Performing Index		
Small Value	-1.71	
Standard Pacific Corp.	-7.80	-0.04
Highwoods Properties Inc.	-5.67	-0.04
Century Aluminum Co.	-11.76	-0.04
UAP Holding Corp.	-11.76	-0.03
Whiting Petroleum Corp.	-6.57	-0.03

Year-to-Date



1-Year



3-Year

