

Morningstar Weekly Market Report

U.S. Market Overview: January 21–January 28, 2005

Market Commentary

The Morningstar US Market Index rose 0.27% for the week ending Jan. 28, its first positive close for the year. Overall, investors remained cautious amidst mixed news—lower than expected Gross Domestic Product growth in the fourth quarter of 2004, and two huge mergers.

The market gains were evenly distributed across stocks of different styles as US Value, Core and Growth Indexes added between 0.2 and 0.3% for the week. The Morningstar Market Barometer sported a green look, with one exception—mid-cap value. The Mid Value Index was the only index that lost ground for the week, shedding 0.35%. The Mid Growth Index outperformed all other style indexes to be the top performer with a 0.59% return.

The Large Cap Index posted a 0.31% gain. News of a merger between consumer product giant Procter & Gamble and Gillette helped the Large Growth Index gain 0.18%. Gillette, one of the components of the Large Growth Index, jumped 17.43% following the merger announcement. Likewise, news of a possible \$16 billion merger between AT&T and SBC Communications not only boosted AT&T's stock by 9.02%, but also it rejuvenated the Large Value Index by 0.34% percent.

Morningstar Market Barometer (% Return)



Trailing Returns %

Morningstar Indexes	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
US Market	0.27	4.81	-3.48	6.39	3.81	-0.76
Large Cap	0.31	4.20	-3.10	4.61	1.56	-3.61
Mid Cap	0.10	6.70	-4.09	11.66	9.56	6.89
Small Cap	0.38	5.13	-5.57	9.13	10.55	8.98
US Value	0.20	5.29	-2.99	11.27	8.30	8.18
US Core	0.33	5.91	-3.27	9.74	5.09	2.93
US Growth	0.30	2.97	-4.31	-2.10	-3.21	-12.71
Large Value	0.34	4.93	-2.58	9.31	6.11	5.40
Large Core	0.39	5.62	-2.81	9.19	2.73	-0.46
Large Growth	0.18	1.55	-4.13	-5.17	-5.52	-15.36
Mid Value	-0.35	6.33	-3.64	16.99	13.52	15.43
Mid Core	0.08	7.06	-4.42	10.70	11.58	13.03
Mid Growth	0.59	6.75	-4.21	7.19	2.44	-6.00
Small Value	0.34	5.34	-5.51	14.17	16.33	18.74
Small Core	0.32	5.51	-4.98	12.90	12.94	15.79
Small Growth	0.51	4.43	-6.32	0.22	2.18	-5.41

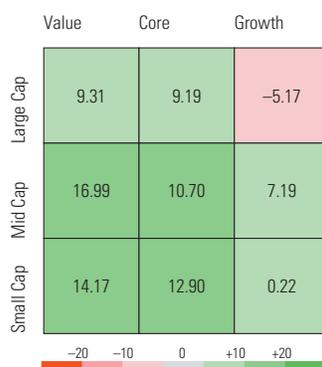
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Mid Growth	0.59	
Sirius Satellite Radio Inc.	11.49	0.10
Harris Corp.	16.58	0.07
Mercury Interactive Corp.	15.28	0.06
Murphy Oil Corp.	7.16	0.06
Chicago Mercantile Exchange Holdings Inc.	9.98	0.05
Worst Performing Index		
Mid Value	-0.35	
Equity Residential	-5.58	-0.06
Vornado Realty Trust	-5.22	-0.05
MBIA Inc.	-3.29	-0.03
Newell Rubbermaid Inc.	-4.36	-0.03
Boston Properties Inc.	-4.09	-0.03

Year-to-Date



1-Year



3-Year

