# **Morningstar Weekly Market Report**

## U.S. Market Overview: February 24–March 03, 2006

#### **Market Commentary**

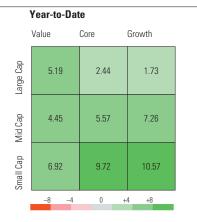
Partly blamed on cooler temperatures and a northeast blizzard, February retail sales softened. While continued concerns about the security of foreign energy supplies and deliveries, drove utilities down by more than 1%. The bright spot came from hardware bellwether stocks Cisco and HP who led the sector up by nearly 2%, despite modest declines from top components Intel, IBM and Apple. Overall, the US Market Index barely slipped into the red, losing 0.03% for the week, but still up by 4.10% for the year.

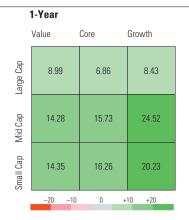
A quick look at the Market Barometer tells the story for the week as Growth stocks took command and Value retreated. The US Growth Index packed on a hefty 0.55% for the week, while the Value Index shaved off 0.44%. The aforementioned Cisco Systems moved up 6% after completing its \$6.9 billion acquisition of Scientific-Atlanta. Small-cap firm Valeant Pharmaceuticals rose 12.6% after announcing an increase in 2005 revenue.

In the Value camp, the American automotive industry experienced another major setback, as auto parts supplier Dana Corporation plunged 56.3% after filing for Chapter 11 bankruptcy. While the settlement of class action lawsuit concerning overtime wages by financial services firm Morgan Stanley prompted UBS and Merrill Lynch to do the same with others likely to follow suit.

Thinking small - the best and worst performing style indexes for the week come form the bottom of the Style Box. Small Growth led with a 0.91% gain and Small Value pulled up the rear with 0.71% loss.

Trailing Returns %						
Morningstar Indexes	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
US Market	-0.03	2.83	4.10	10.67	19.53	3.64
Large Cap	-0.03	1.78	3.17	8.02	16.45	1.25
Mid Cap	-0.10	5.37	5.78	18.22	27.24	9.77
Small Cap	0.20	6.64	9.10	16.90	29.59	11.43
US Value	-0.40	4.15	5.16	10.41	22.28	8.12
US Core	-0.18	3.06	3.60	9.25	19.70	4.31
US Growth	0.55	1.17	3.52	12.64	16.45	-2.48
Large Value	-0.33	4.10	5.19	8.99	19.97	6.12
Large Core	-0.23	1.99	2.44	6.86	17.04	1.47
Large Growth	0.53	-1.05	1.73	8.43	12.05	-4.94
Mid Value	-0.56	3.92	4.45	14.28	27.63	12.90
Mid Core	-0.22	5.42	5.57	15.73	26.24	12.29
Mid Growth	0.48	6.74	7.26	24.52	27.43	3.46
Small Value	-0.71	5.29	6.92	14.35	30.46	16.41
Small Core	0.36	7.07	9.72	16.26	29.88	14.41
Small Growth	0.91	7.44	10.57	20.23	28.43	3.69





#### Morningstar Market Barometer (% Return)



### **Biggest Influence on Index Performance**

	Weekly Return %	Index Contribution %				
Best Performing Index						
Small Growth	0.91					
PMC-Sierra Inc.	11.60	0.06				
Valeant Pharmaceuticals International	12.62	0.06				
Cypress Semiconductor Corp.	7.49	0.05				
Foundry Networks Inc.	9.49	0.05				
Alkermes Inc.	7.25	0.05				
Worst Performing Index						
Small Value	-0.71					
Houston Exploration Co.	-11.10	-0.06				
PHH Corp.	-10.79	-0.05				
Friedman Billings Ramsey Group Inc. Cl A –9.70 –0.						
Whiting Petroleum Corp.	-8.58	-0.04				
Dana Corp.	-56.29	-0.04				



Notes and Disclaimer: ©2005 Morningstar, Inc. All Rights Reserved. Unless otherwise noted, all data is as of most recent week end. Multi-year returns are annualized. NA: Not Available. Biggest Influence of Index Performance lists are calculated by multiplying stock returns for the week by their respective weights in the index as of the start of the week. The information, data, analyses and opinions contained herein (1) include the confidential and proprietary information of Morningstar, (2) may not be copied or distributed, (3) do not constitute investment advice offered by Morningstar, (4) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (5) are not warranted to be correct, complete or accurate. Morningstar shall not be held responsible for any trading decisions, damages or other losses resulting from, or related to, this information, data, analyses or opinions or their use. For more information visit us at http://indexes.morningstar.com or call 800.698.593

