

# Morningstar Weekly Market Report

## U.S. Market Overview: March 16–March 23, 2007

### Market Commentary

Markets surged to their best weekly performance in recent years due to a series of positive news stories. The Morningstar US Market Index rose 3.6% through the week ending March 23, 2007. The latest Federal Reserve statement did not mention the need for further interest rate increases, which many interpreted as setting the ground for rate cuts later this year. Markets also got a boost from a fresh round of takeover activity.

All nine Morningstar style indexes posted strong gains. The Morningstar Small Growth Index's 4.4% advance was the best. The Morningstar Large Core Index finished last with a respectable 3.0% gain.

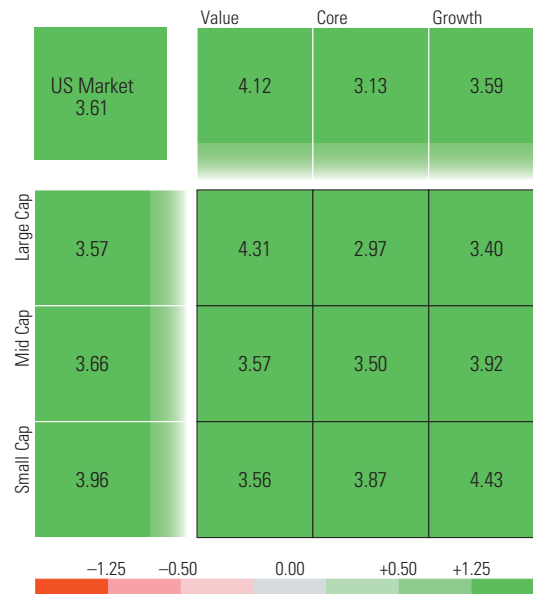
Kronos Inc., a developer of workforce management software, rose 28% to make the strongest contribution to the Morningstar Small Growth Index. Kronos announced its agreement to be acquired by a private equity firm at a sizable premium. Along similar lines, power-transmission engineering firm Infracore Services Inc. gained 21% last week after rival Quantas Services agreed to purchase it at a substantial premium.

Financial stocks recovered strongly as attention was diverted from problems in the subprime lending market. Stalwart Morgan Stanley, for example, was rewarded with a 9% gain after the company announced healthy first-quarter earnings. Large-core peer Motorola's 2.4% decline took away from the index's performance, however, after the company admitted continued weakness in its mobile handset business.

### Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
<b>Morningstar Indexes</b>						
US Market	3.61	3.02	2.42	12.61	12.68	7.51
Large Cap	3.57	2.03	1.43	12.76	11.19	5.67
Mid Cap	3.66	6.20	5.75	13.10	17.16	12.46
Small Cap	3.96	4.46	3.60	9.53	14.99	12.04
US Value	4.12	2.95	2.16	18.85	16.59	11.17
US Core	3.13	2.07	1.42	11.05	12.60	7.59
US Growth	3.59	4.19	3.89	7.57	8.51	3.01
Large Value	4.31	2.15	1.35	19.56	15.90	9.86
Large Core	2.97	0.84	0.20	10.51	11.36	5.64
Large Growth	3.40	3.34	3.03	7.67	5.73	0.67
Mid Value	3.57	5.75	5.17	17.81	18.89	14.47
Mid Core	3.50	6.22	5.67	13.28	15.89	12.90
Mid Growth	3.92	6.63	6.41	8.49	16.57	9.22
Small Value	3.56	3.82	2.65	13.08	16.25	14.59
Small Core	3.87	4.29	3.32	11.89	17.13	13.96
Small Growth	4.43	5.26	4.83	3.77	11.45	7.19

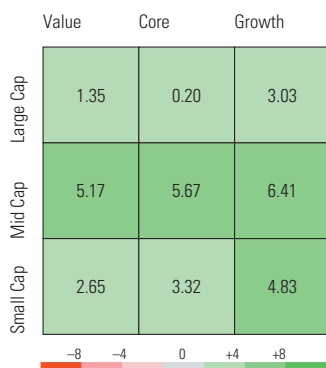
### Morningstar Market Barometer (% Return)



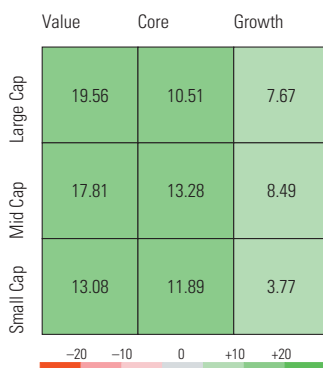
### Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
<b>Best Performing Index</b>		
Small Growth	4.43	
Kronos Inc.	28.01	0.11
Infracore Services Inc.	21.20	0.06
Adams Respiratory Therapeutics Inc.	24.06	0.06
Varian Semiconductor Equipment Associates	17.72	0.06
Equinix Inc.	10.15	0.06
<b>Worst Performing Index</b>		
Large Core	2.97	
General Electric Co.	4.25	0.39
Procter & Gamble Co.	3.56	0.18
Morgan Stanley	8.99	0.17
Microsoft Corp.	2.53	0.15
Merrill Lynch & Co. Inc.	7.23	0.13

### Year-to-Date



### 1-Year



### 3-Year

