

Morningstar Weekly Market Report

U.S. Market Overview: March 24–March 31, 2006

Market Commentary

The Morningstar US Market Index slid 0.21% for the week ending March 31, as the Fed raised the interest rates by another quarter point, and warned there may be more hikes to come.

Although the market was down overall, the losses were largely contained to large cap stocks, and the Morningstar Large Cap Index dropped 0.62%. Leading the pack was the Morningstar Large Value Index, which declined 1.23% for the week. Pfizer, one of the largest holdings in the index, lost 4.3%. Legal troubles seem to afflict the other big pharma stocks. Merck & Co. fell 2.3% after it lost an appeal to deny class action status to ongoing lawsuits surrounding Vioxx. Bristol-Myers Squibb was off by 3.6% after a suit was filed against the firm to delay the generic version of the drug Plavix.

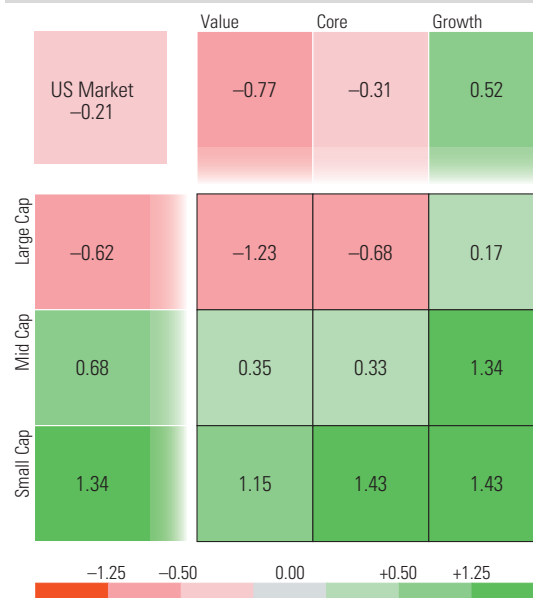
Small caps stocks continued their spectacular run, adding another 1.34% for the week and ending the first quarter with a healthy gain of 13%. The Morningstar Small Cap Core and Small Cap Growth indexes posted gains of 1.43%. The Manitowoc Company, a construction equipment supplier, jumped 15% on revised first quarter earnings guidance. Other construction--related companies in the Small Cap Core Index finished the week up sharply. Potlatch, a forest product manufacturer, rose 8.5%, and Genlyte Group, a lighting fixture manufacturer, was up 8%.

The merger announcement between Lucent and Alcatel fueled speculation of further consolidation within the network equipment manufactures. This helped push several Small Cap Growth Index components like Nuance, Sonus Networks, and Foundry Networks, up 17%, 12% and 7% respectively.

Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	-0.21	5.22	5.22	14.43	19.28	5.26
Large Cap	-0.62	3.75	3.75	11.11	15.99	2.75
Mid Cap	0.68	7.93	7.93	23.04	27.43	11.62
Small Cap	1.34	12.99	12.99	25.13	30.41	13.74
US Value	-0.77	6.02	6.02	14.18	22.87	9.00
US Core	-0.31	5.54	5.54	13.40	19.63	5.79
US Growth	0.52	4.04	4.04	16.03	15.38	0.17
Large Value	-1.23	5.50	5.50	12.45	20.53	6.92
Large Core	-0.68	4.05	4.05	10.16	16.78	3.00
Large Growth	0.17	1.49	1.49	11.01	10.62	-2.56
Mid Value	0.35	6.43	6.43	18.19	28.09	13.95
Mid Core	0.33	7.77	7.77	21.50	26.53	13.38
Mid Growth	1.34	9.52	9.52	29.29	27.29	6.77
Small Value	1.15	10.86	10.86	21.62	31.68	17.82
Small Core	1.43	14.22	14.22	25.34	30.85	16.38
Small Growth	1.43	13.78	13.78	28.63	28.76	7.15

Morningstar Market Barometer (% Return)



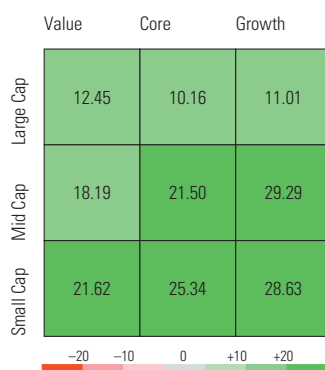
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Small Core	1.43	
Manitowoc Co.	15.02	0.09
Integrated Device Technology Inc.	5.39	0.04
Genlyte Group Inc.	8.13	0.03
Potlatch Corp. REIT	8.54	0.03
Maverick Tube Corp.	5.71	0.03
Worst Performing Index		
Large Value	-1.23	
Pfizer Inc.	-4.23	-0.22
Bank of America Corp.	-2.90	-0.17
Altria Group Inc.	-2.85	-0.12
Citigroup Inc.	-1.21	-0.08
Fannie Mae	-5.11	-0.07

Year-to-Date



1-Year



3-Year

