

Morningstar Weekly Market Report

U.S. Market Overview: May 19–May 26, 2006

Market Commentary

Markets ended a two-week slide on small doses of positive economic news—personal income rose 0.5% for the month and the economy grew at an annual rate of 5.3% in the first quarter. Thanks in part to strong gains on Thursday and Friday the Morningstar US Market Index ended the week of May 26 ahead by 0.98%.

Value stocks continued to assert their dominance as the Morningstar Value Index expanded its year-to-date lead over the Morningstar Growth Index, ϕ to 7.04%. The Morningstar Large Value Index was the pick of the week among the nine Morningstar style indexes, posting a gain of 1.53%. The Morningstar Mid Cap Growth Index was the only index to finish the week in the red with a 0.01% loss.

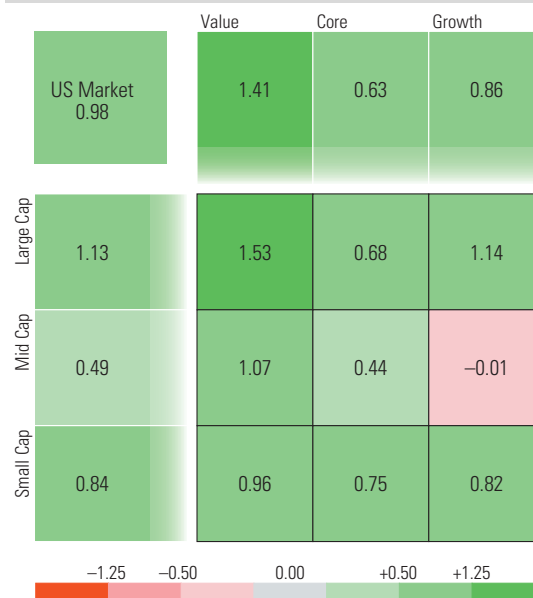
Energy, financial services, and telecommunications firms dominated the Morningstar Large Value Index. Energy stocks benefited from a mid-week rebound in oil prices, lifting ExxonMobil 1.87% and Chevron Corp. 2.33%. MasterCard's successful \$2.5 billion IPO pushed other credit card issuers higher—Bank of America was up 2.3%, Citigroup rose 1.58%, and JP Morgan Chase increased 1.12%. Telecommunication firms AT&T, BellSouth, and Verizon Communications climbed back after the FCC announced there would not be an investigation into their role in the domestic spying scandal.

Celgene, a biopharmaceutical firm, jumped 5.5% on approval by the FDA of Thalomid for the treatment of bone-marrow cancer. And JDS Uniphase, a fiber optic equipment manufacturer, rose 10.43% on an analyst's upgrade.

Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	0.98	-0.30	3.82	10.86	14.73	2.75
Large Cap	1.13	-0.19	3.01	8.05	12.17	0.57
Mid Cap	0.49	-0.80	5.03	18.15	21.24	8.33
Small Cap	0.84	0.00	8.87	19.60	22.60	9.67
US Value	1.41	1.43	7.10	14.29	18.09	7.61
US Core	0.63	0.28	4.08	10.27	15.16	3.97
US Growth	0.86	-2.81	0.06	7.77	10.71	-4.24
Large Value	1.53	1.59	7.22	13.48	16.28	5.74
Large Core	0.68	0.77	3.46	7.84	12.95	1.51
Large Growth	1.14	-3.28	-2.13	2.28	6.89	-6.61
Mid Value	1.07	1.14	6.23	15.84	22.48	12.09
Mid Core	0.44	-1.89	3.80	15.59	20.36	10.79
Mid Growth	-0.01	-1.50	5.15	23.01	20.37	1.59
Small Value	0.96	0.37	8.09	18.07	23.32	15.23
Small Core	0.75	1.77	11.26	21.68	24.37	12.70
Small Growth	0.82	-2.20	7.16	19.01	19.94	1.42

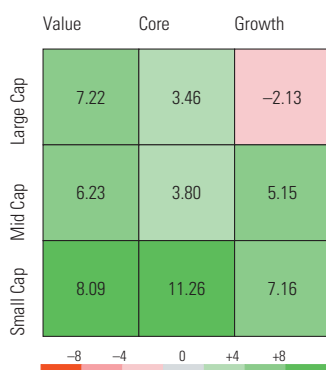
Morningstar Market Barometer (% Return)



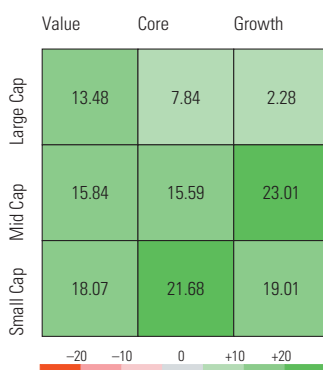
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Large Value	1.53	
Exxon Mobil Corp.	1.87	0.19
Bank of America Corp.	2.30	0.14
Citigroup Inc.	1.58	0.11
AT&T Inc.	3.76	0.10
Chevron Corp.	2.33	0.08
Worst Performing Index		
Mid Growth	-0.01	
Advanced Micro Devices Inc.	-9.50	-0.15
KLA-Tencor Corp.	-10.21	-0.10
Cognizant Technology Solutions Corp.	-6.53	-0.06
Omnicare Inc.	-9.15	-0.06
NII Holdings Inc.	-6.61	-0.06

Year-to-Date



1-Year



3-Year

