

Morningstar Weekly Market Report

U.S. Market Overview: May 25–June 01, 2007

Market Commentary

Markets resumed their climb with renewed vigor last week. The Morningstar US Market Index rose 1.68% for the week ending June 1, 2007, more than repairing the brief slide of the week before. The latest economic reports showed surprisingly strong job creation and growth in labor income, suggesting that the U.S. economy is set to bounce back from a weak first quarter. Merger and acquisition deals and positive earnings news also continued to boost investor confidence.

Generally, small-cap and growth stocks performed sharply better. The Morningstar Small Core Index finished on top with a 3.3% gain. The Morningstar Large Value Index's 0.73% advance was the worst showing among all our style indexes.

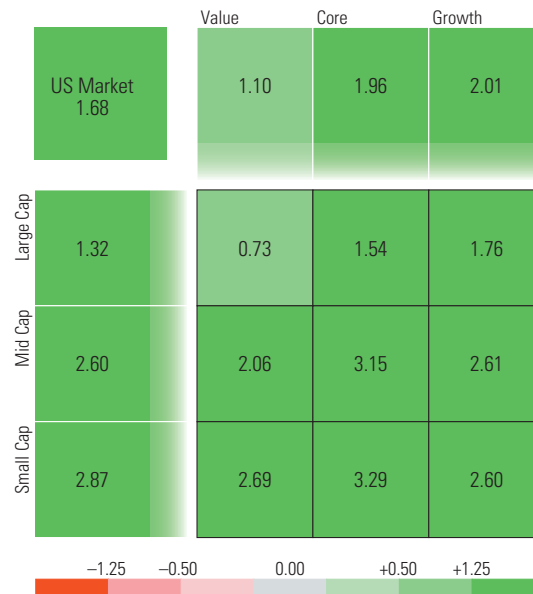
Washington Group International Inc., a diversified engineering and construction group, surged 21% after announcing it will be acquired by a rival firm. In general, engineering-goods makers had a strong week, with General Cable Corp. and Hanover Compressor Co. also contributing handsomely to the Morningstar Small Core Index.

Technology hardware giant Dell Inc. gained more than 5% after reporting its highest quarterly gross profit margin in years, owing to strength in server and notebook personal computer sales. Merck & Co. Inc. lost 3%, however, holding large-cap indexes back. A federal judge threw out an earlier court victory Merck had won in one of its many trials over the recalled pain medication Vioxx.

Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	1.68	9.92	9.93	21.76	14.34	10.55
Large Cap	1.32	9.95	8.88	21.95	12.77	8.95
Mid Cap	2.60	9.95	13.63	22.46	19.16	14.79
Small Cap	2.87	9.46	10.61	17.77	16.51	14.54
US Value	1.10	10.18	9.54	26.18	18.90	13.13
US Core	1.96	9.40	9.22	20.81	14.31	10.72
US Growth	2.01	10.22	11.22	17.94	9.47	7.22
Large Value	0.73	10.93	9.13	27.36	18.40	12.06
Large Core	1.54	9.17	7.91	20.09	12.88	9.21
Large Growth	1.76	9.74	9.79	17.91	6.45	4.88
Mid Value	2.06	8.33	11.64	23.88	20.58	15.70
Mid Core	3.15	10.09	13.90	24.56	18.23	14.73
Mid Growth	2.61	11.44	15.38	18.95	18.48	13.35
Small Value	2.69	7.24	8.05	18.80	18.18	15.80
Small Core	3.29	9.95	10.78	19.38	18.92	15.81
Small Growth	2.60	11.08	12.92	14.96	12.21	11.69

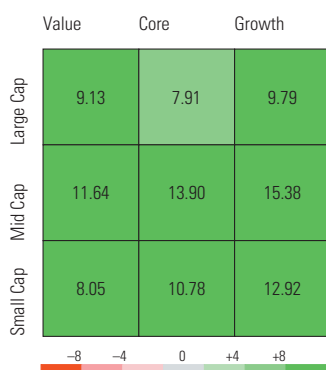
Morningstar Market Barometer (% Return)



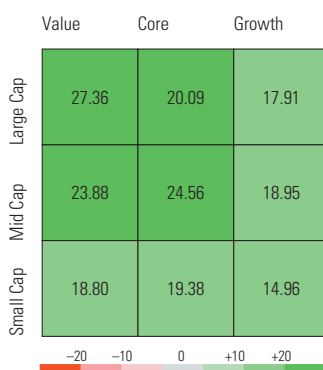
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Small Core	3.29	
Washington Group International Inc.	21.25	0.12
General Cable Corp.	7.49	0.07
Hanover Compressor Co.	8.83	0.05
Pennsylvania Real Estate Investment Trust	10.65	0.04
RTI International Metals Inc.	8.39	0.04
Worst Performing Index		
Large Value	0.73	
Exxon Mobil Corp.	0.85	0.10
ConocoPhillips	3.19	0.09
Chevron Corp.	1.36	0.06
Altria Group Inc.	1.47	0.05
Kraft Foods Inc. CI A	2.72	0.04

Year-to-Date



1-Year



3-Year

