

# Morningstar Weekly Market Report

## U.S. Market Overview: June 01–June 08, 2007

### Market Commentary

Rising bond yields caused a sharp pullback in equity markets last week. The Morningstar US Market Index lost 1.9% for the week ending June 8, 2007, its worst slide in months. Long-term bond yields soared to their highest level in a year due to expectations of a stronger economy and fading hopes of any rate relief in the near future from the Federal Reserve, causing investors to reassess the market's outlook. Higher borrowing costs would eventually hurt companies' earnings. More immediately, the yield surge threatens to undermine the merger and acquisition boom that has benefited equities, especially small- and mid-cap stocks.

All nine Morningstar style indexes finished in the red. The Morningstar Large Growth Index held up the best with a 1.6% loss. The Morningstar Mid Value Index's 2.8% slide was the worst.

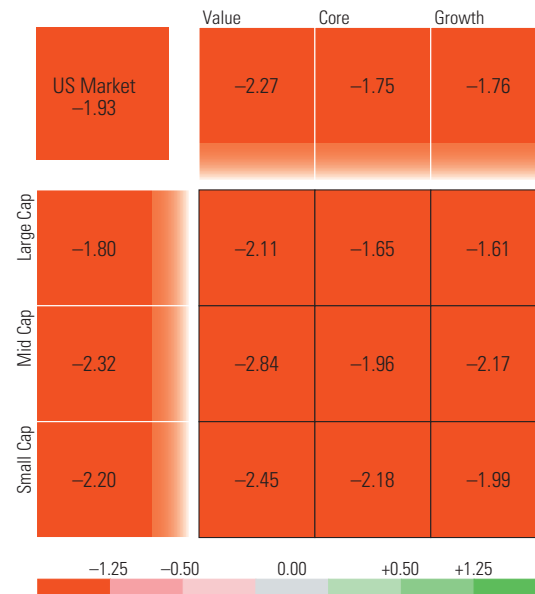
A recent report showing strong demand for consumer electronics was among the factors boosting some prominent technology-related stocks amidst the overall market slump. Apple Inc. rose 5.1% and NVIDIA Corp., a designer of computer graphics chips, advanced 4.8%. The Morningstar Large Growth Index also got help from Internet giants Google Inc., which gained 3%, and Amazon.com Inc., which jumped almost 7%.

Utility stocks detracted heavily from the Morningstar Mid Value Index. Constellation Energy Group Inc. and Ameren Corp. were among the prominent losers in that interest rate-sensitive sector.

### Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
<b>Morningstar Indexes</b>						
US Market	-1.93	8.04	7.81	22.37	12.96	10.97
Large Cap	-1.80	8.04	6.92	22.23	11.39	9.43
Mid Cap	-2.32	7.99	11.00	23.75	17.68	15.02
Small Cap	-2.20	8.27	8.18	19.70	15.34	14.91
US Value	-2.27	7.85	7.05	25.51	17.41	13.23
US Core	-1.75	8.04	7.31	21.58	12.94	11.25
US Growth	-1.76	8.26	9.26	19.73	8.18	7.86
Large Value	-2.11	8.54	6.83	26.72	16.96	12.19
Large Core	-1.65	7.81	6.13	20.36	11.51	9.86
Large Growth	-1.61	7.72	8.02	19.25	5.14	5.55
Mid Value	-2.84	5.94	8.47	22.75	18.88	15.72
Mid Core	-1.96	8.68	11.66	26.64	16.86	14.94
Mid Growth	-2.17	9.36	12.88	21.76	17.11	13.85
Small Value	-2.45	5.68	5.40	19.39	16.72	15.91
Small Core	-2.18	8.80	8.36	21.31	17.64	16.00
Small Growth	-1.99	10.18	10.68	18.15	11.41	12.59

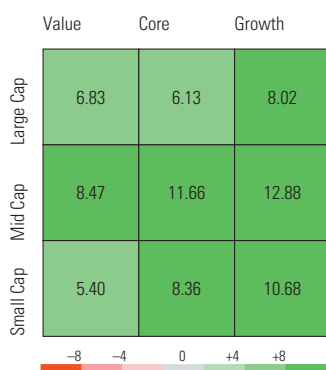
### Morningstar Market Barometer (% Return)



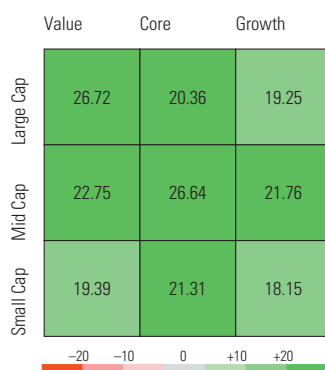
### Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
<b>Best Performing Index</b>		
Large Growth	-1.61	
PepsiCo Inc.	-2.50	-0.08
Schering-Plough Corp.	-5.06	-0.07
Oracle Corp.	-3.05	-0.07
Cisco Systems Inc.	-1.41	-0.06
Goldman Sachs Group Inc.	-2.45	-0.06
<b>Worst Performing Index</b>		
Mid Value	-2.84	
Constellation Energy Group Inc.	-6.73	-0.10
Mattel Inc.	-7.51	-0.07
Eaton Corp.	-4.68	-0.06
Tesoro Corp.	-7.12	-0.05
Ameren Corp.	-5.64	-0.05

### Year-to-Date



### 1-Year



### 3-Year

