

Morningstar Weekly Market Report

U.S. Market Overview: August 18–August 25, 2006

Market Commentary

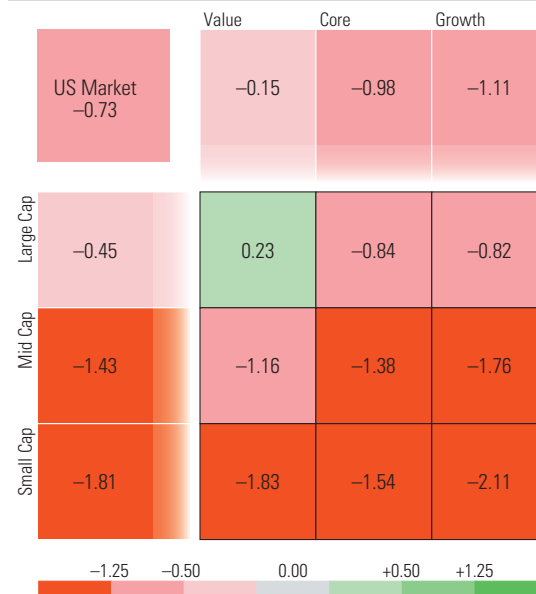
Broad signs of weakness in the housing market raised concerns that the Federal Reserve may have gone too far in tightening interest rates. Fears that a persistent downturn in housing will have a negative impact on consumer spending sent the Morningstar US Market Index down 0.73% for the week ending August 25, 2006.

The Morningstar Market Barometer reflected this anxiety as investors flocked to more defensive large-value stocks. The Morningstar Large Value Index was the best performer among the nine Morningstar style indexes, posting a gain of 0.23% for the week, while the Morningstar Small Growth Index was the worst, losing 2.11%.

Value-oriented energy stocks pushed ahead on a jump in oil prices triggered by the start of hurricane season in the Gulf of Mexico. Exxon Mobil Corp. rose 1.93% and Marathon Oil Corp. jumped 5.64%. Government-backed mortgage behemoth Fannie Mae saw its stock gain 3.73% after announcing an end to an SEC investigation with no charges pending.

Small-growth stocks took a beating last week. Reinforcing concerns over weakness in consumer spending, clothing retailers Dress Barn Inc. and Christopher Banks Corp. plummeted by 14.2% and 11.63% respectively. Shares in ESCO Technologies Inc., a manufacturer of communications systems for utilities, ended the week down 9.36% after a key customer delayed a major project.

Morningstar Market Barometer (% Return)



Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	-0.73	1.37	4.62	8.80	12.27	4.51
Large Cap	-0.45	2.78	5.28	9.19	10.70	2.64
Mid Cap	-1.43	-2.01	2.15	7.46	16.51	9.33
Small Cap	-1.81	-3.87	4.11	7.61	15.54	10.11
US Value	-0.15	6.15	12.85	16.36	18.28	9.12
US Core	-0.98	0.08	3.62	8.35	12.41	4.88
US Growth	-1.11	-2.42	-2.89	1.32	5.93	-1.27
Large Value	0.23	8.29	15.24	19.16	17.74	7.83
Large Core	-0.84	0.77	3.77	8.47	11.01	2.79
Large Growth	-0.82	-1.18	-3.71	-0.65	2.98	-3.62
Mid Value	-1.16	0.40	5.83	8.50	19.60	12.02
Mid Core	-1.38	-1.38	1.61	6.63	15.64	10.54
Mid Growth	-1.76	-4.98	-0.83	7.14	14.01	4.64
Small Value	-1.83	-1.78	5.73	7.65	17.92	13.79
Small Core	-1.54	-2.99	7.49	11.45	17.95	12.48
Small Growth	-2.11	-6.79	-0.87	3.75	10.73	3.86

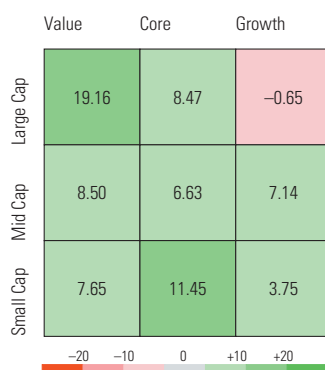
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Large Value	0.23	
Exxon Mobil Corp.	1.93	0.21
Merck & Co. Inc.	2.33	0.05
Marathon Oil Corp.	5.64	0.05
Fannie Mae	3.73	0.05
Freddie Mac	3.66	0.04
Worst Performing Index		
Small Growth	-2.11	
Sotheby's	-14.53	-0.08
Bucyrus International Inc. CI A	-11.73	-0.07
Dress Barn Inc.	-14.21	-0.05
ESCO Technologies Inc.	-9.36	-0.05
Ansys Inc.	-8.71	-0.04

Year-to-Date



1-Year



3-Year

