

Morningstar Weekly Market Report

U.S. Market Overview: September 15–September 22, 2006

Market Commentary

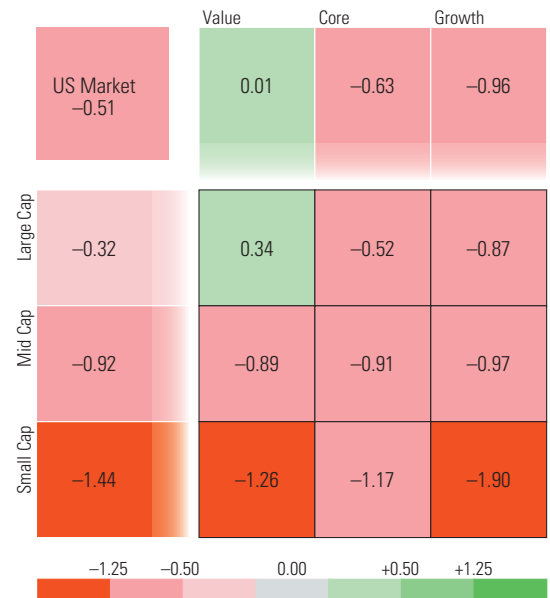
With oil prices dropping for the third straight week and wholesale inflation under control, the Federal Reserve Open Markets Committee left rates unchanged. However, a disappointing report of business activity from the Federal Reserve Bank of Philadelphia stirred up concerns that the economy may be slowing down too quickly. The Morningstar US Market Index shed 0.51% for the week ending September 22, 2006.

The Morningstar Market Barometer clearly demonstrated investors' flight to quality. The best-performing Morningstar index last week, and so far this year, was the Morningstar Large Value Index, which barely slipped into positive territory with a 0.01% gain. On the other end of the spectrum, the Morningstar Small Growth Index was the worst performer closing the week down 1.9%.

Telecommunications stocks continued to be the surprising winner, outpacing all other sectors, with a gain of 25.7% year to date. Last week, big-name large-cap stocks AT&T, Verizon Communications Inc., and Bell South Corp. added more than 3% after the FCC approved AT&T's purchase of Bell South. Several large integrated banks also gained on the prospects for an improved interest rate environment. Bank of American Corp. led the pack with 1.9% gain.

Small-growth stocks continue to experience high levels of volatility, especially in the semiconductor industry. Microsemi Corp., a specialty chipmaker, dropped 15.9% on an analyst downgrade. Wireless services firm InfoSpace Inc. plunged 23% after announcing the loss of key client accounts.

Morningstar Market Barometer (% Return)



Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	-0.51	5.51	6.41	10.39	11.68	9.30
Large Cap	-0.32	6.28	6.82	10.24	10.12	7.18
Mid Cap	-0.92	3.20	4.52	10.26	16.06	14.66
Small Cap	-1.44	3.76	7.03	11.52	14.58	16.24
US Value	0.01	8.32	13.33	15.53	17.27	12.80
US Core	-0.63	5.31	6.63	11.40	12.22	9.44
US Growth	-0.96	2.59	-1.12	3.74	5.36	5.15
Large Value	0.34	9.58	15.01	16.63	16.64	11.25
Large Core	-0.52	5.58	6.74	11.31	10.83	7.09
Large Growth	-0.87	3.27	-1.96	1.99	2.57	2.71
Mid Value	-0.89	4.30	8.09	11.86	19.03	16.32
Mid Core	-0.91	4.47	4.75	10.12	15.54	15.81
Mid Growth	-0.97	0.78	0.87	8.67	13.28	11.10
Small Value	-1.26	5.41	9.18	12.54	17.29	19.07
Small Core	-1.17	4.60	10.64	15.45	17.39	18.38
Small Growth	-1.90	1.26	1.29	6.62	9.10	10.97

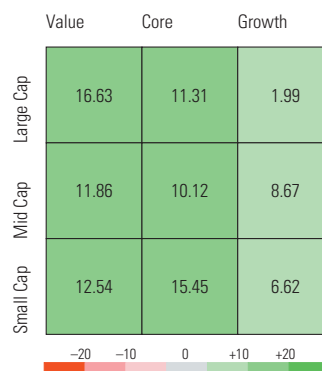
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Large Value	0.34	
Worst Performing Index		
Small Growth	-1.90	
Bank of America Corp.	1.91	0.12
AT&T Inc.	3.26	0.11
Verizon Communications Inc.	3.60	0.10
BellSouth Corp.	3.17	0.06
Merck & Co. Inc.	2.29	0.05
Microsemi Corp.	-15.90	-0.09
Infomatica Corp.	-13.76	-0.06
InfoSpace Inc.	-22.94	-0.05
FormFactor Inc.	-8.41	-0.05
KFX Inc.	-17.41	-0.05

Year-to-Date



1-Year



3-Year

