

Morningstar Weekly Market Report

U.S. Market Overview: October 20–October 27, 2006

Market Commentary

A jump in oil prices and continued weakness in the housing market held stocks in check amid a raft of strong third-quarter earnings reports and another interest rate pause by the Federal Reserve. The Morningstar US Market Index rose 0.70% for the week ending Oct. 27, 2006. Morningstar's broad market index, representing 97% of the market capitalization of U.S. firms, is up nearly 12% for the year.

Reflecting the plethora of strong earnings reports, the Morningstar Market Barometer was all green as all nine Morningstar style indexes finished ahead for the week. The Morningstar Mid Growth Index gained 1.3% and was the top performer for the week while the Morningstar Large Growth Index was the laggard, only managing to tack on 0.3%.

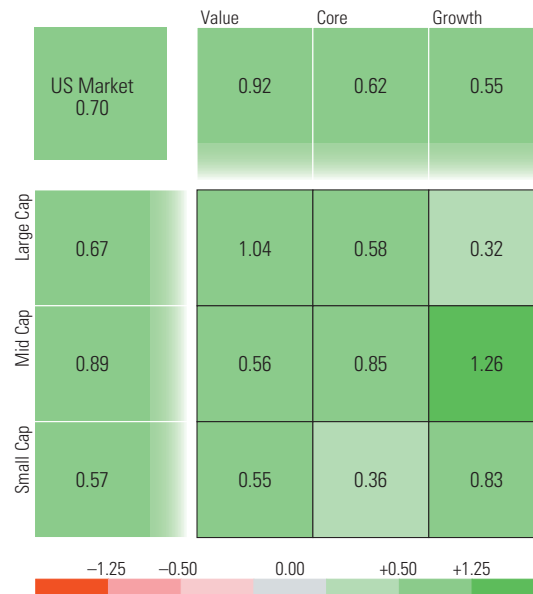
The Morningstar Mid Growth Index got a boost from a number of its components, which reported strong quarterly results and an upbeat outlook for the rest of the year. Biotech drug maker Vertex Pharmaceuticals Inc. took the top spot with a 19% jump, following its positive trial results for a hepatitis C drug treatment.

The theme of earnings reports driving the market also played out in the Morningstar Large Growth Index. Halliburton Co., Google Inc., Schlumberger Ltd., and Comcast Corp. all moved higher after releasing their third-quarter results, but security software developer Symantec Corp. saw its stock drop 10.1% after a disappointing earnings report.

Trailing Returns %

| | 1-Week | 3-Month | YTD | 1-Yr | 3-Yr | 5-Yr |
|----------------------------|--------|---------|-------|-------|-------|-------|
| Morningstar Indexes | | | | | | |
| US Market | 0.70 | 9.59 | 11.82 | 19.44 | 13.15 | 7.41 |
| Large Cap | 0.67 | 9.38 | 12.10 | 18.66 | 11.64 | 5.30 |
| Mid Cap | 0.89 | 9.65 | 10.00 | 20.55 | 17.24 | 12.79 |
| Small Cap | 0.57 | 11.85 | 13.84 | 23.63 | 16.46 | 14.05 |
| US Value | 0.92 | 7.63 | 18.64 | 25.80 | 18.22 | 11.76 |
| US Core | 0.62 | 11.03 | 12.45 | 20.43 | 13.85 | 7.71 |
| US Growth | 0.55 | 10.20 | 3.94 | 11.57 | 7.08 | 2.00 |
| Large Value | 1.04 | 7.36 | 20.35 | 26.72 | 17.56 | 10.12 |
| Large Core | 0.58 | 10.91 | 12.50 | 19.23 | 12.70 | 5.35 |
| Large Growth | 0.32 | 10.00 | 2.66 | 9.22 | 4.14 | -0.36 |
| Mid Value | 0.56 | 7.72 | 13.08 | 22.23 | 20.06 | 15.57 |
| Mid Core | 0.85 | 11.13 | 10.34 | 22.17 | 16.28 | 14.23 |
| Mid Growth | 1.26 | 10.11 | 6.70 | 17.29 | 15.20 | 7.78 |
| Small Value | 0.55 | 10.89 | 15.16 | 24.29 | 18.36 | 18.13 |
| Small Core | 0.36 | 12.16 | 17.70 | 28.27 | 19.19 | 16.27 |
| Small Growth | 0.83 | 12.48 | 8.62 | 18.29 | 11.75 | 7.61 |

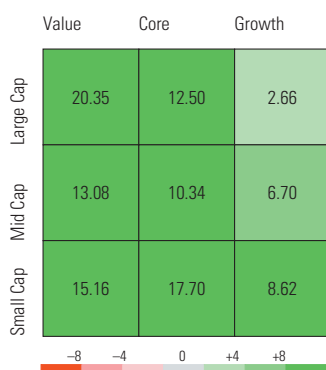
Morningstar Market Barometer (% Return)



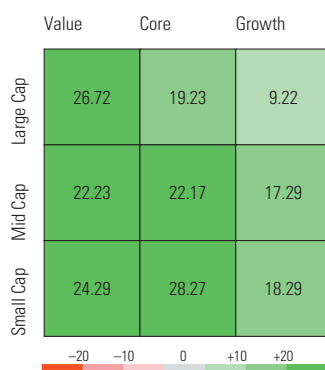
Biggest Influence on Index Performance

| | Weekly Return % | Index Contribution % |
|---|-----------------|----------------------|
| Best Performing Index | | |
| Mid Growth | 1.26 | |
| Worst Performing Index | | |
| Large Growth | 0.32 | |
| Biggest Influence on Index Performance | | |
| Harman International Industries Inc. | 18.88 | 0.11 |
| Vertex Pharmaceuticals Inc. | 19.06 | 0.08 |
| CB Richard Ellis Group Inc. CI A | 12.63 | 0.07 |
| Varian Medical Systems Inc. | 9.03 | 0.06 |
| Arch Coal Inc. | 12.36 | 0.06 |
| Biggest Influence on Index Performance | | |
| Halliburton Co. | 11.71 | 0.11 |
| Google Inc. CI A | 3.39 | 0.11 |
| Schlumberger Ltd. | 4.51 | 0.10 |
| Yahoo! Inc. | 9.18 | 0.09 |
| Comcast Corp. CI A | 5.37 | 0.08 |

Year-to-Date



1-Year



3-Year

