

Morningstar Weekly Market Report

U.S. Market Overview: November 03–November 10, 2006

Market Commentary

Notwithstanding the slowdown of the housing market, investors remained optimistic about the direction of the economy, which was buoyed by strong corporate earnings, solid employment figures, and tame inflation expectations. The Morningstar US Market Index gained 1.4% for the week ending Nov. 10, 2006.

Reversing the recent domination by large-cap stocks, the Morningstar Small Cap Index fought its way back to the top with a gain of 2.2%. The Morningstar Small Core Index was the leader among the nine Morningstar style indexes, climbing 2.5% for the week. Conversely, the Morningstar Large Core Index was the worst performer, posting a gain of 0.9%.

Biotechnology stocks took the top three spots on the list of influencers for the Morningstar Small Core Index. Strong quarterly results from Isis Pharmaceuticals Inc., Regeneron Pharmaceuticals Inc., and Alexion Pharmaceuticals Inc. boosted their share prices by 27.1%, 14.6%, and 12.9%, respectively.

More familiar names appeared on the list of leading contributors for the Morningstar Large Core Index, led by American International Group Inc. AIG's stock rose more than 4% after reporting that its net income more than doubled. Big pharma stocks tumbled after Democrats took control of Congress last week, amid concerns that an increase in pressure from the federal government on prescription drug prices will lead to lower margins. Abbott Laboratories, Eli Lilly & Co., and Johnson & Johnson shares slid 3.5%, 3.5% and 2.2%, respectively.

Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	1.39	9.31	12.31	14.43	12.62	7.22
Large Cap	1.16	8.81	12.41	13.88	11.24	5.06
Mid Cap	2.03	10.38	11.08	15.43	16.51	12.78
Small Cap	2.17	11.96	14.55	16.71	15.31	13.99
US Value	1.36	7.02	19.17	21.37	17.72	11.64
US Core	1.14	10.57	12.64	15.56	13.24	7.64
US Growth	1.75	10.56	4.72	5.90	6.62	1.59
Large Value	1.16	6.27	20.64	22.57	17.15	10.03
Large Core	0.85	10.27	12.43	14.59	12.18	5.25
Large Growth	1.55	10.19	3.43	3.75	3.91	-0.96
Mid Value	1.92	8.91	14.48	17.67	19.54	15.44
Mid Core	1.81	11.12	11.27	17.33	15.53	14.21
Mid Growth	2.37	11.15	7.64	11.43	14.28	7.90
Small Value	2.07	10.87	15.81	17.83	17.35	17.81
Small Core	2.54	12.42	18.78	20.98	18.12	16.40
Small Growth	1.86	12.54	9.01	11.28	10.40	7.58

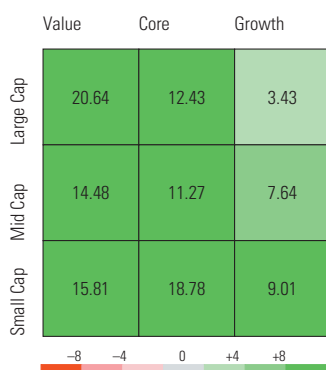
Morningstar Market Barometer (% Return)



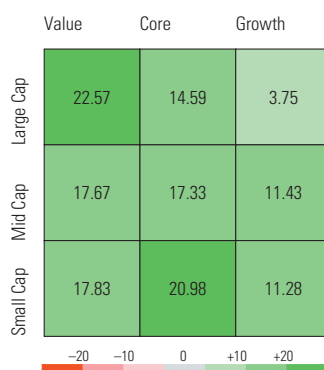
Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Small Core	2.54	
Isis Pharmaceuticals Inc.	27.05	0.05
Regeneron Pharmaceuticals Inc.	14.63	0.04
Alexion Pharmaceuticals Inc.	12.89	0.04
Marvel Entertainment Inc.	9.22	0.04
Veritas DGC Inc.	5.99	0.04
Worst Performing Index		
Large Core	0.85	
American International Group Inc.	4.21	0.16
Microsoft Corp.	2.12	0.14
Hewlett-Packard Co.	4.63	0.12
General Electric Co.	1.15	0.10
Sprint Nextel Corp.	6.37	0.09

Year-to-Date



1-Year



3-Year

