

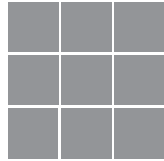
## Morningstar Market Barometer<sup>SM</sup> Five-Year Recap, 2001–2005

The Morningstar Market Barometer<sup>SM</sup> provides an at-a-glance perspective of the market, allowing instant analysis of performance trends. This analysis helps to identify investment opportunities and explain the long-term benefits of diversification. This particular five-year period reflects the end of the bear market, followed by a rebound during the past three years led by small and mid-cap stocks. Value stocks outperformed growth stocks for most of the decline and rebound periods, except for a growth comeback in 2003. Growth and large-cap stocks, however, showed signs of life in 2005.



## About Morningstar® Indexes

Broad Market Index  
US Market<sup>SM</sup>



Cap Indexes  
Large Cap<sup>SM</sup>



Mid Cap<sup>SM</sup>



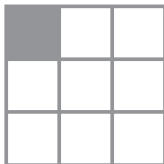
Small Cap<sup>SM</sup>



Composite Style Indexes  
US Value<sup>SM</sup>



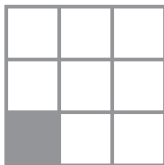
Style Indexes  
Large Value<sup>SM</sup>



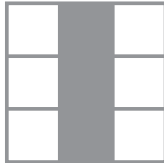
Mid Value<sup>SM</sup>



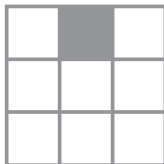
Small Value<sup>SM</sup>



US Core<sup>SM</sup>



Large Core<sup>SM</sup>



Mid Core<sup>SM</sup>



Small Core<sup>SM</sup>



US Growth<sup>SM</sup>



Large Growth<sup>SM</sup>



Mid Growth<sup>SM</sup>



Small Growth<sup>SM</sup>



The Morningstar® Index family consists of 16 indexes that track the U.S. equity market by capitalization and investment style. Based on the methodology of the Morningstar Style Box™, the index system includes a broad market index, three capitalization indexes, three composite style indexes, and nine style indexes.

### Distinct and Style-Pure

The Morningstar Indexes are distinct in style and capitalization, allowing for a non-overlapping division of the market. Each security's investment style is determined using the 10-factor methodology that separately measures the growth and the value characteristics of each stock. Assessing growth and value characteristics independently results in style-pure indexes.

### Best of Breed

The Morningstar Indexes incorporate the best practices of index construction, including:

### Broad Market Coverage

The Morningstar® US Market Index<sup>SM</sup> represents 97% of the U.S. market to achieve the broadest market representation, excluding only smaller illiquid issues.

### Transparent Methodology

Morningstar Indexes are entirely rules-based—governed by transparent, objective, and clearly published rules for security selection and exclusion, rebalancing, and adjustments for corporate actions.

### Liquidity

Securities that have more than 10 non-trading days in the prior quarter or that have average daily trading volume over the preceding six months that falls in the bottom quartile are excluded.

### Free-Float Weighted

Stock weights within each index are based on the available free float of shares outstanding, with total shares outstanding adjusted for institutional holdings and cross-ownership.

### Minimal Turnover

To eliminate unnecessary index turnover caused by short-term variations in style, stocks are reclassified only if their style or capitalization moves beyond minimum thresholds.

### Flexible Cap Bands

Market cap breakpoints for large, mid, and small are based on the percentage of the overall market, rather than a fixed number of stocks or targeted dollar amounts.

### Availability in Principia®

The Morningstar Indexes are included in all Principia® modules, offering additional investment research capabilities.

The Morningstar Indexes are integral for developing sound asset allocation strategies, serve as superior benchmarks to measure and monitor manager performance, and represent better “building blocks” for constructing diversified portfolios without any unintended overlaps or gaps in capitalization or style.

### For More Information

Please visit <http://indexes.morningstar.com> or call 800 698-5933.