

Morningstar Weekly Market Report

U.S. Market Overview: July 28–August 04, 2006

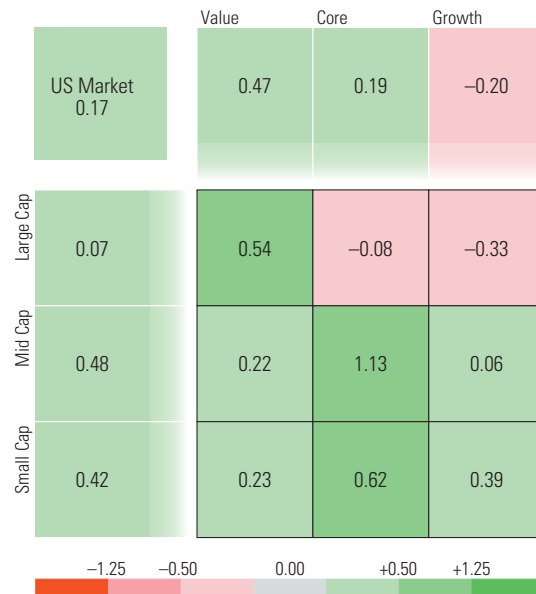
Market Commentary

Rising energy prices took a back seat to lower-than-expected employment figures and weak earnings reports that suggest the economy is cooling. With increasing expectations that the Federal Reserve Bank will leave interest rates unchanged at Tuesday's meeting, the Morningstar US Market Index posted a modest 0.17% gain for the week ending August 4.

Large growth stocks continue to lose ground relative to value stocks as well as the overall market. The Morningstar Large Growth Index once again earned the dubious distinction of the worst-performing style index for the week, dropping 0.33%. One of the index components, Medtronic Inc., a medical device manufacturer, issued a profit warning ahead of reporting second-quarter results. This sent the stock down by a whopping 14% for week. Also dragged down by the news were two of its competitors, St. Jude Medical Inc. and Boston Scientific Corp., which lost 10% and 9% respectively.

The Morningstar Mid Core Index was the best performer among Morningstar's nine style indexes. The index surged ahead 1.13% for the week. Humana Inc., a healthcare provider, which reported second-quarter earnings well above expectations, rose 13%. Public Storage Inc., the world's largest operator of public storage facilities, also posted strong second-quarter results lifting the stock by 7%.

Morningstar Market Barometer (% Return)



Trailing Returns %

	1-Week	3-Month	YTD	1-Yr	3-Yr	5-Yr
Morningstar Indexes						
US Market	0.17	-3.03	3.54	5.74	12.41	3.78
Large Cap	0.07	-1.37	3.79	5.75	10.45	1.81
Mid Cap	0.48	-6.72	2.21	5.65	17.64	8.86
Small Cap	0.42	-9.27	4.26	5.38	17.16	9.66
US Value	0.47	2.52	12.05	13.85	18.41	8.77
US Core	0.19	-3.64	2.80	5.79	12.58	4.62
US Growth	-0.20	-8.36	-4.55	-2.80	6.03	-2.96
Large Value	0.54	4.40	13.98	16.34	17.42	7.32
Large Core	-0.08	-2.42	2.62	5.79	10.89	2.47
Large Growth	-0.33	-6.69	-5.84	-5.52	2.61	-5.43
Mid Value	0.22	-2.18	6.42	7.14	20.95	12.08
Mid Core	1.13	-6.07	1.71	4.49	16.42	10.48
Mid Growth	0.06	-11.60	-1.31	5.17	15.39	3.28
Small Value	0.23	-5.32	6.13	5.67	19.45	14.26
Small Core	0.62	-8.31	7.79	9.29	19.81	12.36
Small Growth	0.39	-13.93	-1.14	1.20	12.16	2.39

Biggest Influence on Index Performance

	Weekly Return %	Index Contribution %
Best Performing Index		
Mid Core	1.13	
Humana Inc.	12.73	0.12
Public Storage Inc.	7.31	0.06
Vulcan Materials Co.	7.67	0.05
McDermott International Inc.	9.24	0.05
IAC/InterActiveCorp.	5.95	0.04
Worst Performing Index		
Large Growth	-0.33	
Medtronic Inc.	-13.62	-0.28
Cisco Systems Inc.	-4.65	-0.17
Intel Corp.	-3.19	-0.11
Google Inc. Cl A	-3.70	-0.10
Starbucks Corp.	-10.05	-0.09

Year-to-Date



1-Year



3-Year

