Morningstar Market Commentary

Q310

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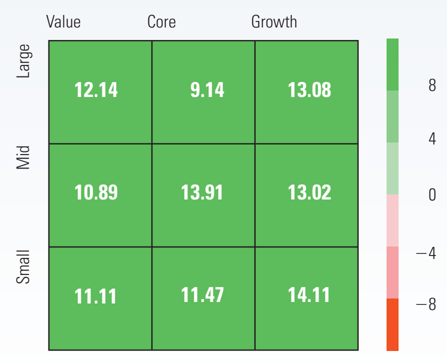
M&A gathers steam while the market stages a robust rally.

Q3 Morningstar Market Barometer



	Value	Core	Growth
Large	12.14	9.14	13.08
Mid	10.89	13.91	13.02
Small	11.11	11.47	14.11

Q3 Morningstar Indexes

Stocks	
US Market Index	11.63
Global Ex-US	16.91
Developed Ex-US	16.78
Emerging Markets	17.75
Bonds	
Core Bond Index	2.37
Commodities	
Long-Only Commodity Index	12.14

Despite mixed economic data, the U.S. stock market witnessed a strong rally in the third quarter. Thanks to an unusually strong September, the U.S. market is back into positive territory for the year.

Economic indicators have yet to show definitive proof that the economy is in a sustainable recovery, but the market was willing to set aside persistent fears. Job losses have slowed, but unemployment remains relatively unchanged. Corporate earnings have satisfied the markets. Extreme cost cutting has resulted in strong earnings, growth even with minimal revenue growth. However, for the most part, festering economic uncertainty has made companies hesitant to commit to new hiring, or to boosting capital expenditures.

Sovereign debt remains a concern, but fears have eased since the second quarter. The euro has rebounded from its second-quarter low. Despite less panic in the eurozone, investors are still flocking to the safety of U.S. treasuries. Yields hit record lows again this quarter, and comments from the Federal Reserve seem to signal that they will remain depressed.

Investors continued to rush to bonds, even with low yields. Many blue chip companies took advantage of this strong demand for bonds, issuing debt at record low yields. Microsoft recently issued $4.75 billion of debt to fund its dividend and stock repurchases. The company's 3-year bonds sold with a yield of just 0.875%, breaking the record for lowest 3-year yield, a record that IBM had just set in August. Other companies issuing large amounts of cheap debt include GE, Hewlett-Packard, American Express, TransOcean, Home Depot, and Johnson & Johnson.

M&A activity picked up significantly during the third quarter, including two large hostile bids. BHP Billiton made a $39 billion offer for Potash Corporation, and Sanofi-Aventis made an $18.5 billion bid for Genzyme. Both targets have rejected the offers, casting a pall of uncertainty over whether these deals will come to fruition. Another highly publicized deal was HP and Dell's bidding war for 3Par, which HP finally won, with a price tag of $2.4 billion. The 3Par deal set off a flurry of deals and takeover speculation in the hardware and software sectors. Investors are hopeful that executives increased willingness to pursue acquisitions signals increasing comfort and clarity regarding the economy.

Commodities also rallied in the third quarter. The Morningstar Long-Only Commodities Index was up 12. 1% in the quarter, led by agriculture's 29%.

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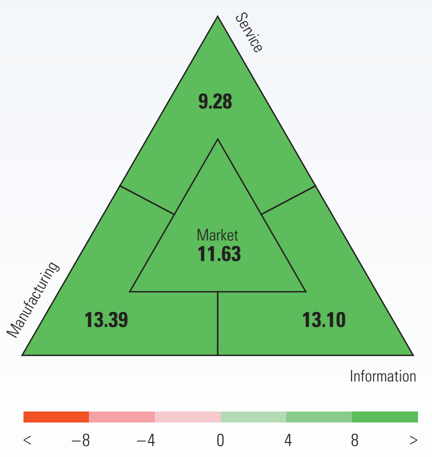
Overview

All Super Sectors posted strong returns during the third quarter. The Morningstar Manufacturing Super Sector led the way with a 13.4% return, but the Morningstar Information Super Sector was not far behind, with a 13.1% gain. The Morningstar Service Super Sector, weighed down by the poor performance of healthcare. Financial services was the laggard of the quarter, with a return of 9.3%. The information Super Sector remains the top performer over the last year, boasting a return of 13.3%.

Q3 Morningstar Sector Delta and Return %



Sector	Quarter	1-Year	3-Year
Information	**13.10**	**13.32**	**-3.70**
Software	16.05	13.29	0.58
Hardware	9.73	11.82	-2.73
Media	9.97	20.34	-5.77
Telecommunication	19.41	12.70	-9.83
Service	**9.28**	**8.45**	**-8.86**
Healthcare	9.63	9.56	-1.98
Consumer Services	15.18	17.20	-0.25
Business Services	11.31	15.14	-2.39
Financial Services	5.34	0.52	-19.85
Manufacturing	**13.39**	**12.78**	**-5.05**
Consumer Goods	11.71	17.86	2.29
Industrial Materials	15.53	16.95	-8.30
Energy	13.31	4.20	-7.94
Utilities	12.02	11.98	-3.53

A Closer Look

Information Super Sector 13.10%

The Morningstar Information Super Sector returned 13.1% for the quarter, and is now in the black for the year.

Morningstar Super Sectors

	P/E	P/B	Yield %	Earn Growth	Sales Growth
Information Super Sector	16.46	2.77	2.38	3.77	1.93
Service Super Sector	14.34	1.67	2.11	1.74	1.31
Manufacturing Super Sector	14.76	2.21	2.68	-12.51	-8.12

The Super Sector was boosted by the strong performance of telecommunications stocks. The sector was the top performer in the third quarter, producing a return of 19.4%. With interest rates remaining at historically low levels, investors were drawn to telecommunication companies' large dividend yields. Many of these companies have dividend yields that exceed the yields on their bonds. The current average yield for the sector is a hefty 4.9%.

The software sector was also hot in the third quarter. A series of deals, including the acquisitions of McAfee and ArcSight, fueled the rally as investors speculated on the next takeover candidate, and increased their exposure to the growth in cloud computing. The sector finished the quarter up 16%.

Service Super Sector 9.28%

The aftermath of major reform bills passed in Congress has continued to weigh on the Morningstar Service Super Sector. For the second quarter in a row, it was the worst performing supersector due to weak showings in healthcare and financial services.

Financials felt the impact of reform, as the sector significantly underperformed all other sectors of the market. The sector returned just 5.3% amid fears that the reform bill will materially impact future profitability. The regulation impacted more than just the large TARP-receiving banks: Debit and credit card transaction processors Visa and MasterCard both trailed the market due to new regulations restricting transaction fees.

Healthcare also continued to underperform after its own battle with reform. Even though the bill was finalized months ago, the stocks have continued to trail the broader market. Healthcare has typically been viewed as a recession-resistant, defensive sector. However, that has not held true this year. Demand for healthcare has lagged, due to a higher uninsured population, a higher portion of the insured population using less comprehensive government plans, and higher co-pays and deductibles. There were a few bright spots, however, including Genzyme's 39% return due to a takeover bid from Sanofi-Aventis.

Manufacturing Super Sector 13.39%

The Morningstar Manufacturing Super Sector was the top performer in the quarter, gaining 13.4%. The supersector saw solid performance from all four sector components. The industrial materials sector saw strong performance from equipment manufacturers, such as Caterpillar and Deere, which were both up more than 25%.

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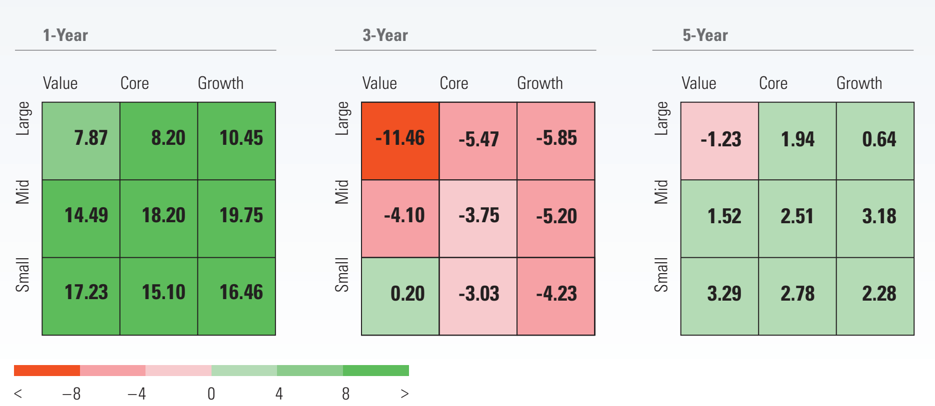
Overview

All sizes and style indexes produced double-digit returns in the third quarter. For the second consecutive quarter, the Morningstar Large Cap Index underperformed both the small-cap and mid-cap indexes. The large-cap index gained 11.3% versus returns of 12.2% and 12.7% for the small- and mid-cap indexes. The Morningstar US Growth index gained 13% in the quarter, narrowly beating the Morningstar US Value Index's 12% return.

Trailing Returns



1-Year

	Value	Core	Growth
Large	7.87	8.20	10.45
Mid	14.49	18.20	19.75
Small	17.23	15.10	16.46

3-Year

	Value	Core	Growth
Large	-11.46	-5.47	-5.85
Mid	-4.10	-3.75	-5.20
Small	0.20	-3.03	-4.23

5-Year

	Value	Core	Growth
Large	-1.23	1.94	0.64
Mid	1.52	2.51	3.18
Small	3.29	2.78	2.28

Morningstar Style & Cap Indexes

	P/E	P/B	Yield %	Earn Growth	Sales Growth
Morningstar US Value	11.70	1.45	3.10	-10.13	-7.64
Morningstar US Core	15.39	2.14	2.25	-6.06	1.04
Morningstar US Growth	19.83	3.22	1.49	7.21	5.79
Morningstar Large Cap	14.54	2.12	2.43	-5.78	-1.84
Morningstar Mid Cap	16.04	1.91	2.30	-1.35	-3.86
Morningstar Small Cap	16.90	1.71	2.31	-5.89	-6.12

A Closer Look

Morningstar US Value Index 11.82%

Value underperformed growth during the quarter, but still produced a strong 11.8% return.

The index benefited from strong performances by big telecommunication firms, including Verizon Communications and AT&T, which posted gains of 26.6% and 20.3%, respectively. The index also benefited from a rebound in big-oil stocks. Many oil-related companies sold off in the second quarter due to fears of increased regulations and restrictions after the BP oil spill. Chevron and ConocoPhillips shares rebounded, with gains of 20.5% and 18.2%, respectively.

The index was again held back by the relatively weak performance of the financial stocks, which make up a significant portion of the index. The three worst-performing stocks in the index were all financials: Flagstar Bancorp, Fannie Mae, and CVB Financial, all posted declines exceeding 20% during the quarter.

Morningstar US Core Index 10.26%

The Morningstar US Core Index was the quarter's weakest style group, posting a return of 10.3%.

With interest rates near record lows, many investors passed over core stocks in favor of traditionally higher-yielding value stocks. The group was supported by strong performance in some iconic consumer staples stocks, including Philip Morris International, Coca-Cola, and McDonalds. Philip Morris International has an attractive 4.6% dividend yield, and returned 24% in the quarter. Coca-Cola and McDonalds have yields around 3%, and returned 18% and 14% respectively.

Overall, the top-performing stock in the group was Savient Pharmaceuticals. The stock popped 82% during the quarter, after one of the company's drugs received FDA approval in mid-September. The worst-performing was also a healthcare company, Amedisys. The home health and hospice company's stock fell 46% after poor earnings and an announcement of a Department of Justice investigation into the company.

Morningstar US Growth Index 13.14%

Growth stocks had a strong third quarter, outperforming value and core stocks, but the index is still the laggard for the year. The group returned 13.1%, to bring the year-to-date return up to 3.7%.

The group benefited from the strong performance of Internet-related stocks. Amazon.com continued its multiyear rally, adding another 44% this quarter. Google, due to its sheer size, is a significant contributor to the group, which also posted a healthy 18% return. The top-performing stock in the entire group was Priceline.com, which rocketed 97%.

Technology-related acquisitions heated up during the third quarter, also boosting the growth index. Dell and HP's bidding war for 3Par received the most attention, but it was not the quarter's only significant acquisition. Intel acquired McAfee for $7.7 billion. Data warehouse company Netezza was acquired by IBM, giving the stock a third-

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quarter return of 97%. ArcSight, an information security company, gained 94% after receiving a takeover bid from HP.

Some of the biggest detractors in the quarter were for-profit education companies. The government has been investigating the alarmingly high default rates on government-backed student loans at for-profits, and the industry has been the flashpoint for a strong sell-off, as investors flee the potential repercussions of new regulatory measures. Lincoln Education Services and American Public Education gave back 30% and 25%, respectively.

Morningstar Large Cap Index 11.29%

Large-cap stocks kept up with small-cap stocks during the third quarter, but have still trailed small- and mid-caps this year. For the quarter, large caps returned 11.3%, but they are up only 2.5% for the year, versus a more robust 11.0% gain for small caps.

The large-cap index has a heavy concentration of large financial and healthcare companies, both of which have struggled over the past year. Legislation affecting both sectors will potentially have a negative impact on the bottom line of these companies in the near term.

The low interest rate environment has helped improve the attractiveness of large-cap stocks. In comparison to bonds, large-cap dividends are very appealing and still give investors the exposure to growth. In addition, large-cap companies with strong credit profiles are able to take advantage of the low rates to issue cheap debt to fund dividends, share buybacks, acquisitions, or expansions.

Morningstar Mid Cap Index 12.66%

The Morningstar Mid-Cap Index was the top performing size group in the quarter, and is now up 10.5% for the year. A rally in software sector helped boost the index. The growing interest in cloud computing and the highly publicized bidding war for 3Par helped spur investor interest in the sector. This quarter's big software gainers were Citrix Systems (up 62%), McAfee (up 54%), Red Hat (up 42%), and Salesforce.com (up 30%).

Morningstar Small Cap Index 12.20%

Small-cap stocks continued to outperform large-cap stocks this quarter. They have now outperformed large caps going back one, three, five, and 10 years.

Small-cap stocks have much more upside potential when M&A activity increases. This was quite evident this past quarter. The group saw strong gains from the companies that received takeover bids, such as ArcSight and Netezza, but many other stocks also saw large gains, as investors speculated on the next acquisition candidate. Informatica Corp, Riverbed Technology, TIBCO Software, and Rackspace Hosting all gained more than 40%, as investors speculated that they could be taken private.

The high volatility of small caps was very pronounced this quarter. There is a much greater disparity between the best- and worst-performing small-cap companies than the best- and worst-performing large caps. The small-cap index had a handful of companies with losses of more than 30% in the quarter, while the worst-performing large-cap company surrendered 13%.

Fund Categories and Benchmarks

Manager results were all over the board during the third quarter, with very little consistency. Large core managers had the easiest time beating their averages, with 88% of managers doing so. Mid-cap core managers had the toughest time, with just 11% of managers beating their benchmark. Large-cap value managers also struggled, with just 41 out of 326, or 12.5% of them beating their benchmark. The style indexes with weaker results were the easiest to beat. The reverse was true for the indexes with stronger returns.

Active vs. Passive

	Value	Core	Growth
Large	12.58 12.14	88.24 9.14	39.07 13.08
Mid	56.07 10.89	11.11 13.91	59.56 13.02
Small	23.15 11.11	36.97 11.47	16.92 14.11

◸ Actively managed mutual funds outperforming their respective benchmark (%)[1]

◢ Index Returns (%), Q3.

[1] Includes the oldest share class for all U.S. diversified mutual funds with at least a one-year history. As of September 30, 2010 there were 2,153 eligible funds. Morningstar classifies funds into style categories based on the average style score (using the same 10-factor methodology as underlying benchmarks) of all available portfolio holdings over a three-year period.

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Overview

The third quarter ended with a lack of consensus on the future direction of interest rates. Although many predict that the U.S. is entering a period of low rates and slow economic growth, there are just as many naysayers who warn of rising interest rates on the back of a strong recovery. Consequently, the U.S. bond markets ended the third quarter in a holding pattern. The Morningstar U.S. Core Bond Index, our broadest measure of the U.S. bond markets, rose 0.04% in September and 2.37% for the quarter.

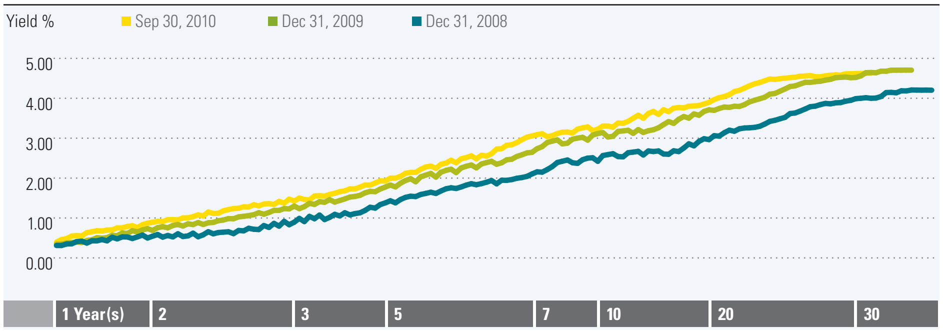
A Closer Look

An Inflection Point

Interest rates in the U.S. took pause in September after five months of steady declines. The average yield on the Morningstar U.S. Treasury Index was almost unchanged in September, but fell 0.36% to 1.39% for the quarter–a historic low. The pause may be a reflection of very diametric views regarding the future direction of interest rates. One view sees envisions a world of high unemployment, shrinking relevance of the U.S. in the global economy, and more regulation. It also provides the backdrop for a "double dip" scenario, and even easier money. U.S. Treasury benchmark yields have established all-time low yields at the front of the curve, but under this scenario–at least in the short term–interest rates have room to go lower.

The other view sees the current environment as something that is not unique, disagreeing with the notion that "it's different this time". The Federal Reserve's accommodation has been aggressive enough to avoid a Japan-like scenario, and the markets will translate any additional quantitative easing into higher asset prices. It follows that, at some point, this translates in to higher consumer prices, tighter monetary policies, and a rapid rise in interest rates.

Treasury Yield Curve



Morningstar Bond Indexes

		Returns		Statistics			
		QTR	YTD	Market Value $Mil	Credit Quality	Yield to Maturity	Average Duration
Broad Market	Core Bond	2.37	7.76	12641	AA+	1.83	4.06
Sector	US Govt	2.65	8.43	5656	AAA	1.37	5.07
	Corporate	4.62	10.20	2674	A	3.31	6.06
	Gov Guaranteed	0.68	2.98	107	AAA	0.58	1.79
	Mortgage	0.56	5.35	4241	AAA	1.48	1.41
Maturity	Short-Term Core	1.25	3.75	3498	AA+	0.78	2.18
	Interm. Core	1.62	6.85	6372	AAA	1.59	2.53
	Long-Term Core	5.55	15.33	2760	AA-	3.71	9.99
Inflation Prot. Secs.	TIPS	2.71	7.12	554	AAA	0.48	7.98
Global Sovereign	Global Govt USD	8.29	6.93	16878	AA+	1.78	6.33
	Global Govt ex-US USD	10.62	6.43	11664	AA+	1.94	6.78
	Australasian USD	14.44	13.22	137	AAA	4.73	4.28
	Canadian IL	2.70	7.69	312	AAA	2.27	6.72
	Eurozone IL	2.37	4.85	5328	AA+	2.84	6.27
	Japanese IL	1.06	3.21	4540	AA	0.60	6.83
	Swiss IL	1.03	5.42	87	AAA	1.06	7.10
	UK IL	3.54	9.80	1257	AAA	2.65	9.01
Europe	Eurobond Corp IL	1.98	6.13	1438	A+	2.73	4.50
	European Bank Capital IL	4.98	7.54	286	A	3.99	11.71
	European Covered IL	1.52	3.75	763	AAA	3.02	4.27
	UK Eurobond Corp IL	4.25	10.30	213	AA-	3.91	7.51
	UK Bank Capital IL	7.77	13.56	54	BBB+	6.31	16.58
Emerging Market	Composite USD	8.27	14.73	479	BB+	5.64	6.28
	Sovereign USD	8.79	14.40	351	BBB-	4.93	7.01
	Corporate USD	6.85	15.68	127	BB	7.59	4.25

USD—unhedged returns in USD   IL—returns in local currency

While both positions will require time for validation, short-term prospects for lower rates were buoyed by hints from Federal Reserve policymakers that they are willing to engage in another round of quantitative easing. The Federal Open Market Committee's Sept. 21 statement said it "will continue to monitor the economic outlook and financial developments and is prepared to

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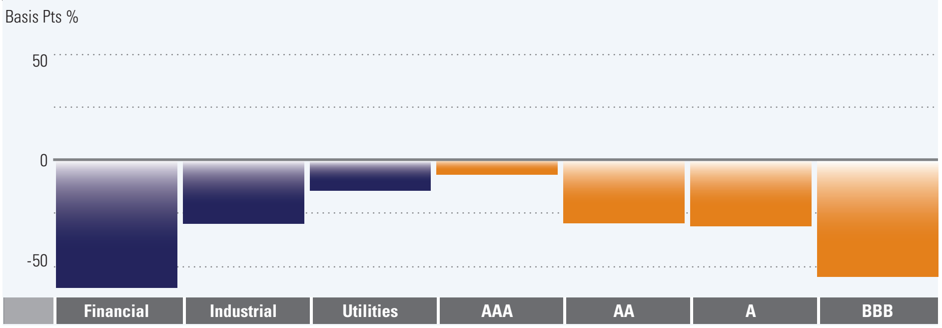
provide additional accommodation if needed to support the economic recovery."

Tailwinds in Sovereign Debt

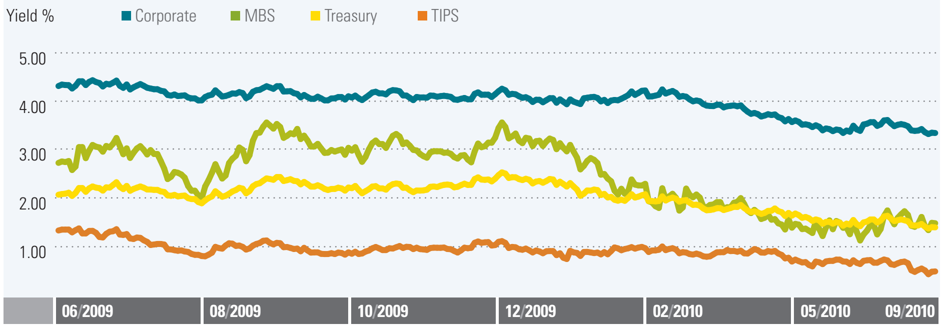
The unhedged U.S. investor in global sovereign bonds enjoyed stellar returns in the third quarter, an outgrowth of both lower yields and a declining U.S. dollar. The Morningstar Global ex-U.S. Government Bond Index rose 10.62%—the highest quarterly return since March 2008. The best performance came from Switzerland, with a 17.11% return. In local currency terms, all countries contributing to the Morningstar Global Government Index rose in the third quarter. The U.K. Government bond index was the strongest performer—rising 3.54%. Collectively the euro-denominated sovereign bonds enjoyed a positive quarter, but single-country returns were a mixed bag. Some of the PIIGS were making headlines again with a downgrade for Spain, Portugal budget stalemates, and Ireland's bank bailouts. Greece—the best European performer - rewarded investors by rising 4.68% for the quarter (still down over 15% year to date), while the Ireland Government Index fell 4.33%.

Credit Spread Change by Sector and Quality



Credit spread is the yield difference between the US Treasury Index and Corporate Bonds by Index.

US Indexes: Average Yields



Financials Lead the Way

Credit spreads in both the U.S. and Europe contracted in the third quarter—albeit modestly in the United Kingdom—with the financial sector seeing the greatest contraction. The average yield spread premium on the Morningstar U.S. Corporate Index contracted 0.22% in the third quarter to 1.68%, as the index rose 4.62%. The financial sector spreads contracted 0.35% during the quarter, while industrial and utilities lagged—contracting 0.17% and 0.24%, respectively. The results stand in contrast to the fact the rating agencies are lowering their assessments of creditworthiness more than they are raising them for the first time since the start of the year. In the second quarter, both Moody's and Standard and Poor's recorded more rating outlook changes—more positive than negative. The third quarter saw a reversal of that trend. Moody's cut outlooks on 120 issuers, and raised outlooks on 40 issuers. The same numbers for Standard and Poor's were 76 and 51, respectively.

New issuance in the U.S. was robust through the quarter—$354 billion—with $159 billion in September alone. Record-low benchmark yields and contracting spread premiums created an attractive environment for borrowers.

Euro-denominated credit spread premiums contracted, though less than U.S. over the quarter, with financials again leading the way. The Morningstar Eurobond Euro Index yield spread premium contracted 0.19% to 1.26% and rose 1.98% for the quarter. The contraction in the financial sector was 0.38%. The Morningstar Eurobond Sterling Index yield spreads contracted only 0.02% for the quarter, but the benchmark yield rally provided for an increase of 4.25%, the best quarterly return since third quarter 2009.

The risk trade – selling low yielding assets with low volatility for additional yield and lower credit quality -was renewed in emerging markets bonds, as they had their best quarter in over a year. The Morningstar Emerging Market Sovereign and Corporate Indexes rose 8.79% and 6.85% respectively.

Under any reasonable scenario, the downside to a long fixed income position is significantly greater than any upside. Should a recovery not play out in short order, one could argue the risk trade continues. This means tighter credit spreads, and flatting of the yield curve. Under the sustained recovery scenario, it's easy to envision it getting ugly quickly. Those who see a "bond bubble" will make a hasty exit, and the benefits from a money-printing Federal Reserve will carry a price tag.

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Overview

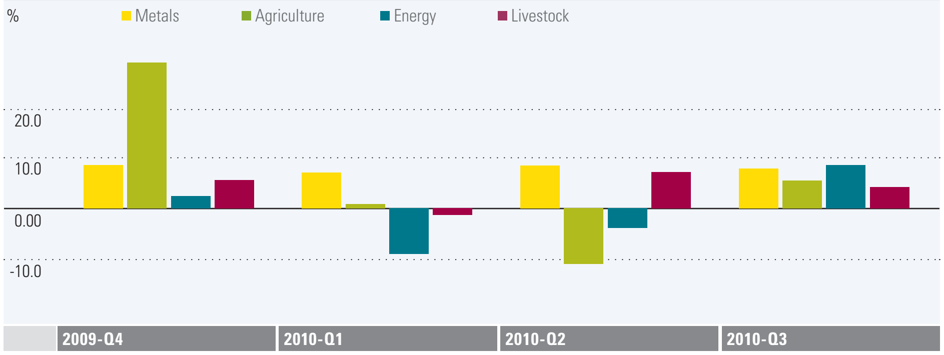
The Morningstar Long-Only Commodity Index rallied 12.1% in the quarter, driven by a strong 28.7% gain in the Morningstar Agriculture Commodity Index. The Morningstar Long/Short Commodity Index was flat on the quarter with a return of 0.2%.

A Closer Look

Although the economy has yet to show any signs of inflation, investors are still drawn to the glitter of gold. The Morningstar Gold Index posted another gain this quarter, but the 4.8% gain was much more attenuated than the past few quarters. With a still-weak economy and low interest rates, deflation has become a more real near-term threat than inflation. The lack of inflationary signs has somewhat cooled the high demand for gold, but investors still see it as a safe haven to evade the fears associated with sovereign debt and associated currencies. Silver and copper, however, both saw big returns. Silver increased 16% in the quarter and Copper jumped 23%.

Cotton futures hit a 15-year high this quarter. Flooding in Pakistan and concerns about cotton production out of China and India have caused a spike in the price of cotton. The cotton index was up 35% this quarter, and is up 71% over the past year. Crude oil had a relatively quiet quarter, with the Morningstar West Texas Intermediate Crude Index rising 2.4%. So far, this year's hurricane season has been fairly mild.

Quarterly Commodity Sector Returns



Morningstar Commodity Index Returns %

	Quarter	1-Year	3-Year	5-Year	10-Year	YTD
Long-Only	12.14	11.50	-3.60	0.76	8.26	4.13
Long/Flat	5.93	1.85	4.11	4.10	8.83	-0.22
Long/Short	0.23	-7.27	3.76	2.27	7.64	-4.92
Short/Flat	-5.87	-8.89	0.49	0.69	1.01	-5.08
Short-Only	-11.32	-14.50	-0.37	0.27	-5.79	-6.03
Agriculture	28.70	21.20	1.17	8.27	5.39	15.02
Energy	1.67	-3.75	-17.00	-16.68	2.68	-11.14
Livestock	5.67	16.52	-11.45	-5.46	3.01	11.96
Metals	8.42	35.34	16.79	24.65	18.57	25.61

Conclusion

After a weak second quarter, the market posted a strong rally in the third quarter. The market set aside fears about the economic recovery, and embraced stocks. Unemployment remains elevated, but strong cost containment has led to high operating margins and strong corporate profits that have pleased Wall Street.

Interest rates retreated again during the quarter, as the Federal Reserve reiterated its commitment to maintaining low rates, and investors continued to seek safety. Companies have increasingly taken advantage of the environment to access cheap capital.

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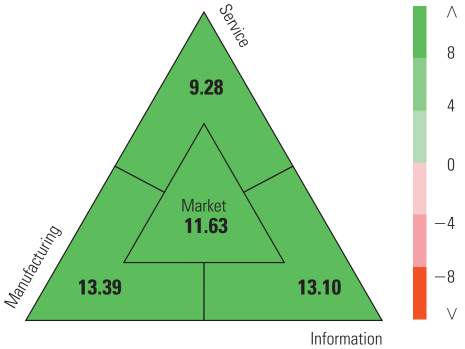
All data in this issue through 9-30-10

Q3 Style Indexes

Index	Total Returns % 3 Mo.	1-Year	3-Year	5-Year	10-Year	Price/ Earnings	Price/ Book	Yield%	5-Yr Earn Growth
Morningstar US Market	**11.63**	**11.06**	**-6.41**	**1.20**	**0.14**	**14.95**	**2.04**	**2.40**	**-5.29**
Large Cap	11.29	8.74	-7.48	0.61	-1.57	14.54	2.12	2.43	-5.78
Mid Cap	12.66	17.47	-4.25	2.50	4.40	16.04	1.91	2.30	-1.35
Small Cap	12.20	16.27	-2.32	2.90	5.62	16.90	1.71	2.31	-5.89
US Value	11.82	9.85	-9.22	-0.31	3.77	11.70	1.45	3.10	-10.13
US Core	10.26	10.80	-4.76	2.25	2.12	15.39	2.14	2.25	-6.06
US Growth	13.14	12.72	-5.58	1.31	-5.79	19.83	3.22	1.49	7.21
Large Value	12.14	7.87	-11.46	-1.23	1.99	11.67	1.52	3.13	-12.10
Large Core	9.14	8.20	-5.47	1.94	0.23	14.90	2.21	2.30	-5.98
Large Growth	13.08	10.45	-5.85	0.64	-7.49	18.82	3.34	1.57	8.59
Mid Value	10.89	14.49	-4.10	1.52	7.99	11.49	1.31	2.99	0.45
Mid Core	13.91	18.20	-3.75	2.51	7.44	16.99	2.04	2.12	-4.81
Mid Growth	13.02	19.75	-5.20	3.18	-1.75	22.87	3.03	1.14	3.64
Small Value	11.11	17.23	0.20	3.29	10.65	12.91	1.20	3.14	-9.09
Small Core	11.47	15.10	-3.03	2.78	7.98	16.77	1.72	1.81	-5.92
Small Growth	14.11	16.46	-4.23	2.28	-1.43	23.92	2.74	1.19	4.66

Q3 Sector Indexes



Index	Total Returns % 3 Mo.	1-Year	3-Year	5-Year	10-Year	Price/ Earnings	Price/ Book	Yield%	5-Yr Earn Growth
Information	**13.10**	**13.32**	**-3.70**	**3.41**	**-5.71**	**16.46**	**2.77**	**2.38**	**3.77**
Software	16.05	13.29	0.58	4.98	-4.42	17.76	3.80	2.30	12.73
Hardware	9.73	11.82	-2.73	4.18	-6.60	16.03	3.34	1.40	5.24
Media	9.97	20.34	-5.77	-0.84	-5.07	15.22	1.57	1.71	-2.39
Telecommunication	19.41	12.70	-9.83	3.25	-4.74	17.02	2.27	4.93	-0.57
Service	**9.28**	**8.45**	**-8.86**	**-1.52**	**1.06**	**14.34**	**1.67**	**2.11**	**1.74**
Healthcare	9.63	9.56	-1.98	2.22	1.05	13.31	2.39	2.97	15.04
Consumer Services	15.18	17.20	-0.25	3.00	4.91	17.12	2.69	1.95	3.26
Business Services	11.31	15.14	-2.39	4.97	4.41	19.34	2.77	1.82	1.12
Financial Services	5.34	0.52	-19.85	-8.67	-2.00	12.73	1.08	1.79	-5.66
Manufacturing	**13.39**	**12.78**	**-5.05**	**4.00**	**5.39**	**14.76**	**2.21**	**2.68**	**-12.51**
Consumer Goods	11.71	17.86	2.29	6.64	7.57	15.57	3.40	3.01	1.87
Industrial Materials	15.53	16.95	-8.30	3.05	2.82	16.84	2.37	2.07	-14.40
Energy	13.31	4.20	-7.94	2.93	7.99	13.31	1.84	2.30	-22.41
Utilities	12.02	11.98	-3.53	3.01	2.88	12.14	1.42	4.43	0.47

Bond Indexes

	3 Mo.	1-Year	3-Year	5-Year
Core	2.37	7.79	7.80	6.43
US Government	2.65	7.20	7.48	6.22
Corporate	4.62	11.47	8.45	6.59
Mortgage	0.56	5.94	7.64	6.44
Short-Term	1.25	4.16	5.16	4.98
Intermediate Term	1.62	7.32	7.97	6.60
Long-Term	5.55	13.60	10.69	7.73
Global Govt ex-US	10.62	4.06	8.21	7.21
EM Composite	8.27	18.00	10.32	9.13

Commodity Indexes

	3 Mo.	1-Year	3-Year	5-Year	10-Year	15-Year
Long-Only	12.14	11.50	-3.60	0.76	8.26	9.31
Long/Flat	5.93	1.85	4.11	4.1	8.83	11.22
Long/Short	0.23	-7.27	3.76	2.27	7.64	11.97
Short/Flat	-5.87	-8.89	0.49	0.69	1.01	3.91
Short-Only	-11.32	-14.50	-0.37	0.27	-5.79	-2.99
Agriculture	28.70	21.20	1.17	8.27	5.39	2.20
Energy	1.67	-3.75	-17.00	-16.68	2.68	10.77
Livestock	5.67	16.52	-11.45	-5.46	3.01	2.86
Metals	8.42	35.34	16.79	24.65	18.57	11.12

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