PFM WEEKLY MARKET UPDATE

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Performance of Our Major Holdings

Name	Ticker	1 Wk	MTD	QTD	YTD
Russell 3000 Index		*-4.28*	*-5.45*	*-5.45*	*-5.45*
BlackRock Equity Dividend	MADVX	-3.90	-5.21	-5.21	-5.21
Fidelity Advisor New Insights	FINSX	-3.62	-5.26	-5.26	-5.26
Fidelity Contrafund	FCNTX	-3.62	-5.32	-5.32	-5.32
Janus Adviser Mid Cap Growth	JDMAX	-4.07	-3.19	-3.19	-3.19
iShares Russell Midcap Value Index	IWS	-4.04	-4.72	-4.72	-4.72
Eaton Vance Tax-Managed Small-Cap	ETMGX	-2.56	-3.08	-3.08	-3.08
Allianz NFJ Small Cap Value	PNVDX	-2.61	-4.41	-4.41	-4.41
Royce Low Priced Stock	RYLPX	-4.27	-4.59	-4.59	-4.59
DWS Disciplined Market Neutral	DDMSX	-1.16	-1.06	-1.06	-1.06
The Gateway Fund	GATEX	-2.32	-2.44	-2.44	-2.44
Rydex Managed Futures Strategy	RYMTX	0.98	-0.25	-0.25	-0.25
MSCI EAFE Index		*-7.57*	*-7.95*	*-7.95*	*-7.95*
Artio International Equity I	JIEIX	-6.64	-7.33	-7.33	-7.33
Artio International Equity II	JETIX	-6.82	-7.47	-7.47	-7.47
BlackRock International Opportunities	BISIX	-5.22	-7.20	-7.20	-7.20
Lazard Emerging Markets Equity	LZEMX	-5.67	-6.71	-6.71	-6.71
BarCap Global Aggregate Bond Index		*-0.96*	*-1.73*	*-1.73*	*-1.73*
iShares Barclays Aggregate Bond	AGG	0.07	0.41	0.41	0.41
Templeton Global Bond	TGBAX	-1.77	0.60	0.60	0.60
Fidelity Advisor Intermediate Municipal Income	FZIIX	1.29	3.05	3.05	3.05
Nuveen High Yield Bond	NHYRX	-1.75	3.21	3.21	3.21

Snapshot of the Week that Was

The broad markets continued their slow decline on the heels of several negative economic announcements. The U.S. domestic markets outperformed their international counterparts as the Russell 3000 outperformed the MSCI EAFE Index by 3.29%. On the domestic front, small cap stocks edged out large cap stocks by 1.31%, and growth outperformed value by 2.79%. On the fixed income side, the markets continued to pull back with the Barclays Global Aggregate Bond Index declining 0.96%. In the U.S., investment grade bonds outperformed high yield bonds by 1.01%.

Economic Headlines

The biggest economic news of the week was retail sales, which fell a stunning 2.7% in December, a month traditionally known to bolster retail sales. Core CPI (ex. food and energy) stayed flat in December, but unadjusted CPI fell an additional 0.7% due primarily to the rapid decline in energy prices. The same trend was seen in PPI, with Core PPI rising 0.2%, but unadjusted PPI fell 1.9%, again a decline due to falling energy prices. On a brighter note, Consumer Confidence unexpectedly rose to 61.9, well above the 59.0, the market was expecting.

A Look Ahead

The upcoming week is a bit slow on the economic news front, with the most significant announcement of December housing starts reporting on January 22nd.

Fun Fact of the Week

In recognition of both the new Obama administration and the upcoming Superbowl, I thought I'd offer a fun parallel. Only 4 Colleges have produced a U.S. President and a Superbowl Winning Quarterback. They are:

College	***U.S. President***	***Superbowl Winning Quarterback***
United States Naval Academy	Jimmy Carter	Johnny Unitas (Dallas Cowboys)
Stanford University	Herbert Hoover	John Elway (Denver Broncos)
University of Michigan	Gerald Ford	Tom Brady (New England Patriots)
Miami University (Ohio)	Benjamin Harrison	Ben Roethlisberger (Pittsburgh Steelers)