

PFM WEEKLY MARKET UPDATE

November 14th, 2008

Shana Orczyk, Research Analyst

Name	Ticker	1 Wk	MTD	QTD	YTD
<i>Russell 3000 Index</i>		-6.62	-10.43	-26.32	-40.18
BlackRock Equity Dividend	MADVX	-4.29	-6.94	-20.49	-33.66
Fidelity Advisor New Insights	FINSX	-5.38	-8.28	-22.59	-39.25
Fidelity Contrafund	FCNTX	-5.32	-8.17	-22.71	-38.97
Janus Adviser Mid Cap Growth	JDMAX	-9.03	-13.18	-31.37	-44.87
iShares Russell Midcap Value Index	IWS	-8.55	-12.68	-32.47	-42.88
Eaton Vance Tax-Managed Small-Cap	ETMGX	-8.13	-13.19	-34.13	-41.61
Allianz NFJ Small Cap Value	PNVDX	-7.06	-11.36	-27.33	-32.33
Royce Low-Priced Stock	RYLPX	-9.77	-13.75	-35.63	-44.38
DWS Disciplined Market Neutral	DDMSX	-0.53	-0.53	0.85	2.94
The Gateway Fund	GATEX	-3.46	-5.83	-14.46	-17.13
Morgan Stanley FX Alpha Strategy	FXADX	-0.47	-0.30	-1.46	-0.44
<i>MSCI EAFE Index</i>		-6.18	-5.97	-25.00	-48.31
Artio International Equity I	JIEIX	-6.33	-5.47	-22.42	-46.64
Artio International Equity II	JETIX	-6.04	-5.77	-21.88	-43.95
BlackRock International Opportunities	BISIX	-7.01	-6.27	-28.04	-48.78
Lazard Emerging Markets Equity	LZEMX	-7.62	-7.62	-34.68	-51.02
<i>Barclays Capital Global Aggregate Index</i>		-0.20	1.16	-2.58	-3.01
PIMCO Total Return	PTTRX	-0.12	2.05	1.15	1.00
Templeton Global Bond	TGBAX	-1.80	-0.91	-2.26	-0.30

*Performance of our Major Holdings

Snapshot of the Week that Was

The markets continued to struggle this week, as economic indicators continued to reflect a slowing U.S. Economy. The Russell 3000 Index declined 6.62%. Domestic U.S. markets were inline versus their international counterparts as the MSCI EAFE Index outperformed the Russell 3000 by only 0.44%. On the domestic front, large cap stocks outperformed small cap stocks by 3.34% and value stocks slightly outperformed growth by 0.30%. On the fixed income side, the markets seemed to stabilize with the Barclays Global Aggregate Bond Index declining only 0.20%. In the U.S., investment grade bonds out performed high yield bonds by 2.69%.

Economic Headlines

The most significant economic news was retail sales, which fell 2.8%, the worst decline on record. This is a strong indicator that the Holiday season will be very difficult this year and this should not be a surprise to anyone including the market come January. On a more positive note, consumer sentiment rose to 57.9, which indicates that consumers believe that the worst may be behind them. On the international front, both Japan and the Eurozone officially entered into recessions. Also of note, the US automakers continue to struggle and hope to receive government assistance through the TARP program.

A Look Ahead

This week there are a few announcements scheduled on the Economic Calendar. On November 18th and 19th inflation numbers will take center stage with October PPI and CPI set to report. Also on November 19th October Housing Starts will also be reported.

Fun Fact of the Week

In this difficult environment we realize it is a bit depressing to continue to hear bad news. It's difficult for us as well. However, now is a great time to remind ourselves of the opportunities that arise during such difficult times. Below is a chart of the 3 best times to enter the stock market since the Great Depression.

<i>3 Best Periods to Enter the U.S. Stock Market since 1926</i>		
Date	Subsequent 5-Year Return	Coincidental Event
May 1932	367%	Great Depression
July 1982	267%	Worst recession since the 1950s
December 1994	251%	Most dramatic Fed tightening in 20 years

U.S. Stock market returns represented by the total return of the S&P 500. Indices are not illustrative of any particular investment and an investment cannot be made in any index.

Source: Ibbotson, FMR Co. (MARE)