

PFM WEEKLY MARKET UPDATE

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Performance of Our Major Holdings

Name	Ticker	1 Wk	MTD	QTD	YTD
<i>Russell 3000 Index</i>		<i>12.86</i>	<i>-7.89</i>	<i>-24.23</i>	<i>-38.48</i>
BlackRock Equity Dividend	MADVX	8.93	-5.94	-19.64	-32.96
Fidelity Advisor New Insights	FINSX	9.14	-7.02	-21.54	-38.42
Fidelity Contrafund	FCNTX	9.39	-6.99	-21.71	-38.18
Janus Adviser Mid Cap Growth	JDMAX	16.10	-11.43	-29.99	-43.76
iShares Russell Midcap Value Index	IWS	16.43	-10.08	-30.47	-41.19
Eaton Vance Tax-Managed Small-Cap	ETMGX	14.91	-10.82	-32.33	-40.01
Allianz NFJ Small Cap Value	PNVDX	14.92	-7.21	-23.93	-29.17
Royce Low-Priced Stock	RYLPX	16.33	-10.28	-33.05	-42.15
DWS Disciplined Market Neutral	DDMSX	-0.95	-0.95	0.43	2.50
The Gateway Fund	GATEX	6.47	-5.99	-14.61	-17.27
Morgan Stanley FX Alpha Strategy	FXADX	0.00	-0.57	-1.72	-0.71
<i>MSCI EAFE Index</i>		<i>11.87</i>	<i>-5.70</i>	<i>-24.78</i>	<i>-48.16</i>
Artio International Equity	JIEIX	7.82	-4.87	-22.39	-46.62
Artio International Equity II	JETIX	8.09	-4.69	-20.99	-43.31
BlackRock International Opportunities	BISIX	9.36	-3.98	-26.28	-47.53
Lazard Emerging Markets Equity	LZEMX	10.13	-9.17	-35.78	-51.84
<i>BarCap Global Aggregate Bond Index</i>		<i>1.38</i>	<i>2.89</i>	<i>-0.90</i>	<i>-1.34</i>
PIMCO Total Return	PTTRX	1.06	1.97	1.10	0.95
Templeton Global Bond	TGBAX	3.19	0.44	-0.93	1.06

Snapshot of the Week that Was

The start of the holiday season seemed to put investors in a cheery mood and stocks soared for the week. The Russell 3000 Index gained 12.86%. Domestic U.S. markets outperformed their international counterparts as the Russell 3000 Index outperformed the MSCI EAFE by 0.99%. On the domestic front, small cap stocks outperformed large cap stocks by 3.87% and value stocks outperformed growth by 4.01%. On the fixed income side, the markets continued their steady rise with the Barclays Global Aggregate Bond Index up 1.38%. In the U.S., high yield bonds slightly outperformed investment grade bonds by 0.11%.

Economic Headlines

Despite the shortened week, several major economic indicators reported their October results. As expected existing home sales fell 3.1% from a year ago, but on a positive note, 40% of homes sold in October were homes in foreclosure, which is indication of a market clearing of bank owned properties from the inventory, and could indicate a significant turn in the market. Consumer spending fell 1.0% in October, however personal income rose 0.3%, the disparity could signal an increase in the savings rate. On a brighter note, consumer confidence increased in October after hitting a significant low in September.

A Look Ahead

This week is a slow week for announcements, but one significant report will be November unemployment, which reports on December 5th and is expected to increase to about 6.8% from October's rate of 6.5%.

Fun Fact of the Week

Holiday shoppers were enticed by the bargains that retailers offered over the long Thanksgiving weekend. Black Friday saw sales increase by 3% over last year, and total weekend sales were up 7% from 2007 rate.

