

PFM WEEKLY MARKET UPDATE

December 5th, 2008

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Performance of Our Major Holdings

Name	Ticker	1 Wk	MTD	QTD	YTD
<i>Russell 3000 Index</i>		-2.33	-2.33	-26.00	-39.92
BlackRock Equity Dividend	MADVX	-2.93	-2.93	-22.00	-34.92
Fidelity Advisor New Insights	FINSX	-2.69	-2.69	-23.65	-40.08
Fidelity Contrafund	FCNTX	-2.75	-2.75	-23.87	-39.88
Janus Adviser Mid Cap Growth	JDMAX	-2.80	-2.80	-31.95	-45.34
iShares Russell Midcap Value Index	IWS	-1.38	-1.38	-31.43	-42.00
Eaton Vance Tax-Managed Small-Cap	ETMGX	-5.96	-5.96	-36.36	-43.59
Allianz NFJ Small Cap Value	PNVDX	-4.51	-4.51	-27.36	-32.37
Royce Low-Priced Stock	RYLPX	-5.15	-5.15	-36.49	-45.13
DWS Disciplined Market Neutral	DDMSX	0.74	0.74	1.17	3.26
The Gateway Fund	GATEX	-0.26	-0.26	-14.83	-17.48
Morgan Stanley FX Alpha Strategy	FXADX	0.30	0.30	-1.42	-0.41
<i>MSCI EAFE Index</i>		-6.90	-6.90	-29.97	-51.73
Artio International Equity	JIEIX	-4.95	-4.95	-26.23	-49.26
Artio International Equity II	JETIX	-5.03	-5.03	-24.96	-46.16
BlackRock International Opportunities	BISIX	-4.23	-4.23	-29.40	-49.75
Lazard Emerging Markets Equity	LZEMX	-2.25	-2.25	-37.23	-52.93
<i>BarCap Global Aggregate Index</i>		1.08	1.08	0.17	-0.27
PIMCO Total Return	PTTRX	-0.22	-0.22	0.88	0.74
Templeton Global Bond	TGBAX	1.91	1.91	0.96	2.98

Snapshot of the Week that Was

The market performed reasonable well over the week, but had difficulty recovering from a 600-point decline earlier in the week. The Russell 3000 Index lost 2.33%. Domestic U.S. markets outperformed their international counterparts as the Russell 3000 Index outperformed the MSCI EAFE by 4.57%. On the domestic front, large cap stocks outperformed small cap stocks by 0.20% and value stocks outperformed growth by 1.72%. On the fixed income side, the markets continued their steady rise with the Barclays Global Aggregate Bond Index up 1.08%. In the U.S., investment grade bonds slightly outperformed high yield bonds by 0.98%.

Economic Headlines

The biggest announcement of the week came from the National Bureau of Economic Research (NBER) who declared that the recession in the United States began back in December of 2007. As expected unemployment rose to 6.7%, and non-farm payrolls declined by 533,000, its worse decline since 1974. The Institute of Supply Management (ISM) also announced its manufacturing index fell 36.2%, indicating that the manufacturing sector is continuing to contract under the weight of the economic slowdown. On a more positive note, the Federal Reserve's Beige Book indicated that there are signs of improvement in the lending markets.

A Look Ahead

Several key indicators report this week. On December 11th the November trade gap numbers will be reported. On December 12th November PPI, retail sales, and consumer sentiment will be reported.

Fun Fact of the Week

Prices at the pump have been experiencing a free fall over the past few months. Dropping another ten cents last week. At an average \$1.75/gallon in Massachusetts, gas prices are at their lowest levels since 2004.