

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>1.39</i>	<i>-0.13</i>	<i>-24.33</i>	<i>-38.57</i>
BlackRock Equity Dividend	MADVX	-0.15	-1.78	-21.07	-34.15
Fidelity Advisor New Insights	FINSX	2.15	-0.52	-21.95	-38.74
Fidelity Contrafund	FCNTX	2.24	-0.04	-21.75	-38.21
Janus Adviser Mid Cap Growth	JDMAX	2.51	2.23	-28.43	-42.51
iShares Russell Midcap Value Index	IWS	2.66	2.20	-28.94	-39.89
Eaton Vance Tax-Managed Small-Cap	ETMGX	1.55	-2.13	-33.77	-41.29
Allianz NFJ Small Cap Value	PNVDX	1.97	0.82	-23.31	-28.59
Royce Low-Priced Stock	RYLPX	5.15	6.09	-28.97	-38.63
DWS Disciplined Market Neutral	DDMSX	1.44	4.56	5.01	7.18
The Gateway Fund	GATEX	1.79	2.10	-12.82	-15.54
Morgan Stanley FX Alpha Strategy	FXADX	-0.47	-0.34	-2.05	-1.04
<i>MSCI EAFE Index</i>		<i>3.91</i>	<i>4.87</i>	<i>-21.12</i>	<i>-45.63</i>
Artio International Equity I	JIEIX	3.12	3.82	-19.43	-44.58
Artio International Equity II	JETIX	3.06	3.79	-17.99	-41.16
BlackRock International Opportunities	BISIX	1.47	5.16	-22.48	-44.82
Lazard Emerging Markets Equity	LZEMX	2.15	7.12	-31.21	-48.41
<i>BarCap Global Aggregate Bond Index</i>		<i>3.23</i>	<i>6.35</i>	<i>5.39</i>	<i>4.92</i>
iShares Barclays Aggregate Bond	AGG	1.59	3.22	4.98	5.64
PIMCO Total Return	PTTRX	1.38	2.82	3.95	3.80
Templeton Global Bond	TGBAX	2.92	5.64	4.65	6.75

Snapshot of the Week that Was

The market continued its steady rise up from the November 20th bottom rising for the 2nd consecutive week. The Russell 3000 Index gained 1.39%. The international markets outperformed their U.S. domestic counterparts as the MSCI EAFE Index outperformed the Russell 3000 by 2.52%. On the domestic front, small cap stocks outperformed large cap stocks by 2.66%, and growth stocks outperformed value by 0.89%. On the fixed income side, the markets continued their steady rise with the Barclays Global Aggregate Bond Index up 3.23%. In the U.S., high yield bonds outperformed investment grade bonds by 1.35%.

Economic Headlines

The biggest news this week came from the U.S. Federal Reserve, which took the unprecedented move of cutting rates another 75 basis points to 0.25%. This historic move indicates the Federal Reserve's willingness to use a zero interest rate policy to help ensure economic stability. Another positive development for the consumer wallet was the continued drop in crude oil prices, which fell below \$34, a 77% drop since its July peak. Inflation remained steady in November, with core CPI (Consumer Price Index), remaining steady. Unadjusted CPI (includes food and energy) fell 1.7% for the month, which is largely attributable to the significant drop in energy prices. A positive sign in the housing market included an 18.9% drop in housing starts. While this drop is historic, it indicates that there is a significant drop in new inventory being added to an already saturated market.

A Look Ahead

Despite the shortened week several key indicators will be reporting. On December 23rd final Q3 GDP will be reported, as well as November existing home sales and November new homes sales. On December 24th November reports for personal income, consumer spending and durable good orders will be announced.

Fun Fact of the Week

This week is a shortened week for the markets given the Christmas Holiday. The stock market will be closing at 1:30pm on Wednesday December 24th, and will be closed in observance of Christmas on Thursday, December 25th. While we know not everyone celebrates Christmas, we thought in the spirit of the holiday we'd include some fun facts about Christmas.

- *During the Christmas buying season, Visa Cards alone are used an average of 5,340 times every minute in the U.S.*
- *Even though many believe the Friday after Thanksgiving is the busiest shopping day of the year, the Friday and Saturday before Christmas are actually the two busiest shopping days of the year.*
- *Coca Cola was the first beverage company to use Santa Clause for a winter promotion.*
- *In Mexico, wearing red underwear on New Year's Eve is said to bring new love in the upcoming year. So don't forget your red underwear this holiday season and if you don't have any, now you have something to put on your Christmas list.*
- *Penguins are often associated with the holidays and shown as part of children's holiday specials, this is factually incorrect as penguins are native to the South Pole not the North Pole.*

On that note, we would like to wish all of our clients and their families a very happy holiday!

