



## March 2009 Capital Markets Review

*M Wealth provides Member Firms with exceptional fee-based wealth management solutions for their clients.*

*To help Member Firms grow their wealth management businesses, M Wealth offers everything from component solutions and value-added wealth services to turnkey asset management and investment consulting.*

INDEX	PERIOD RETURNS			3 YEAR STATISTICS		
	MAR 2009	PAST 3 MONTHS	YTD	12 MONTHS	3 YR RETURN*	RISK (ST. DEV.)*
<b>BROAD MARKET EQUITY</b>						
S&P 500 Index	8.76%	(11.01%)	(11.01%)	(38.09%)	(13.06%)	17.67%
Russell 1000 Index	8.75%	(10.45%)	(10.45%)	(38.27%)	(13.24%)	17.98%
Russell 2000 Index	8.93%	(14.95%)	(14.95%)	(37.50%)	(16.80%)	21.73%
Russell 2000 Growth Index	8.98%	(9.74%)	(9.74%)	(36.36%)	(16.20%)	22.24%
Russell 2000 Value Index	8.88%	(19.64%)	(19.64%)	(38.89%)	(17.54%)	22.09%
<b>NON-US DEVELOPED MARKETS EQUITY</b>	MAR 2008	PAST 3 MONTHS	YTD	12 MONTHS	3 YR RETURN*	RISK (ST. DEV.)*
MSCI EAFE Index	6.39%	(13.85%)	(13.85%)	(46.20%)	(14.07%)	20.88%
<b>EMERGING MARKETS EQUITY</b>	MAR 2008	PAST 3 MONTHS	YTD	12 MONTHS	3 YR RETURN*	RISK (ST. DEV.)*
MSCI Emerging Markets Index	14.38%	1.02%	1.02%	(46.90%)	(7.88%)	29.95%
<b>FIXED INCOME</b>	MAR 2008	PAST 3 MONTHS	YTD	12 MONTHS	3 YR RETURN*	RISK (ST. DEV.)*
ML U.S. Treasury Index	2.26%	(1.43%)	(1.43%)	7.63%	8.53%	5.24%
<b>REAL ASSETS / COMMODITIES</b>	MAR 2008	PAST 3 MONTHS	YTD	12 MONTHS	3 YR RETURN*	RISK (ST. DEV.)*
DJ Wilshire Global RESI Index	5.58%	(24.36%)	(24.36%)	(58.33%)	(23.30%)	27.60%
DJ AIG Commodity Index	3.60%	(6.31%)	(6.31%)	(44.99%)	(9.84%)	22.89%

\* Returns over one year have been annualized.

### Commentary

- ❖ The S&P 500 Index turned upward, booking an 8.8% gain in March, the best monthly performance since October 2002. U.S. stocks rallied during the month, experiencing the steepest two week advance since 1938, with the S&P 500 rising 7.1% in a single day alone. Treasury Secretary Timothy Geithner revealed the Public-Private Investment Program (PPIP) which will combine both government and private capital to acquire troubled legacy loans and illiquid legacy securities in an effort to strengthen the nation's banks and financial system. The program is aimed at financing up to \$1 trillion of assets. Volatility, as measured by the CBOE Volatility Index (VIX) ended March slightly lower than the previous month, but continued to remain at an elevated level.
- ❖ The yield on the ten-year U.S. Treasury note plunged 0.5% as U.S. bonds rallied after the U.S. Federal Reserve revealed plans to purchase up to \$300 billion of U.S. Treasury securities. The Federal Reserve launched the Term Asset-Backed Securities Loan Facility (TALF) program during the month, which may lend as much as \$1 trillion in an effort to stimulate the credit markets, initially receiving requests for \$4.7 billion of financing. Federal Reserve Chairman Ben Bernanke stated, "We'll see the recession coming to an end probably this year." The Federal Open Market Committee unanimously voted to expand the Federal Reserve's balance sheet by purchasing up to an additional \$750 billion of agency mortgage backed securities issued by Fannie Mae, Freddie Mac, and Ginnie Mae.
- ❖ Fourth quarter U.S. gross domestic product decreased at a revised 6.3% annualized rate in the fourth quarter of 2008, the slowest pace since 1982. The unemployment rate surged to 8.1% in February, up from 7.6% in the prior month. Job losses have now

exceeded 600,000 for three consecutive months for the first time since 1939. A total of seven states have a jobless rate above 10%. Inflation, as measured by the Consumer Price Index (CPI), rose 0.4% in February.

- ❖ Average U.S. home prices, as measured by the S&P/Case-Shiller Home Price Index, fell 2.8% in January, the greatest single month decline in the history of the index. Home prices are down 18.9% from one year ago according to the index. After a precipitous fall, construction of new homes jumped 22% in February, while sales of new homes also advanced. Building permit applications increased 3%. The U.S. 30-year fixed mortgage rate fell to the lowest level on record according to data from Freddie Mac.
- ❖ Commodities, as measured by the Reuters/Jefferies CRB Index, rose 4.2% in March. Crude oil continued to rally, with West Texas Intermediate Crude vaulting to a recent high of nearly \$54 per barrel before giving back gains in the last few days of the month. OPEC continues to implement its production cuts. Gold came off of highs seen in February, but remained relatively resilient, ending March at \$919 per ounce.

## For More Information

For more information on the services offered by M Wealth, please contact:

JoNell Hermanson  
503.414.7310  
jonell.hermanson@mfin.com

Erik Bjorvik  
503.414.7656  
erik.bjorvik@mfin.com

Luan Dollens  
503.414.7544  
luan.dollens@mfin.com

Michael Skourtes  
503.414.7572  
michael.skourtes@mfin.com

Amy Barnwell  
503.414.7698  
amy.barnwell@mfin.com

Spencer Provow  
503.414.7498  
spencer.provow@mfin.com

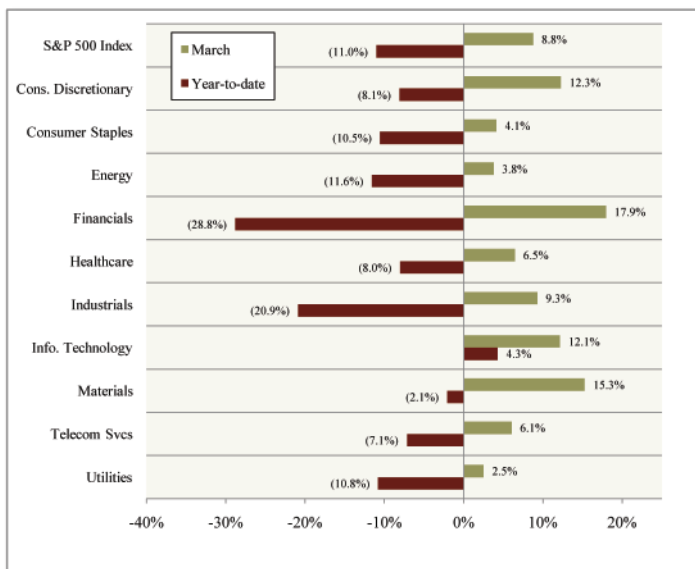
or visit the M Wealth website at:

[www.mfinwealth.com](http://www.mfinwealth.com)

M Financial Wealth Management  
1125 NW Couch Street, Suite 900  
Portland, OR 97209  
800.508.1820  
[www.mfinwealth.com](http://www.mfinwealth.com)

### S&P 500 SECTOR MONTHLY PERFORMANCE

➤ **Financials staged a comeback**, followed by Materials as all sectors of the S&P 500 Index advanced in March.



### MONTH & YTD INDEX RETURNS

➤ **Markets around the world** enjoyed a reprieve from the ravages of the past several months as most major indices rallied.

