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Fourth Quarter, 2008

FINANCIAL MARKET UPDATE

Here are selected rate of return numbers year to date as of 9/30/2008*:

Dow Jones Industrials	-16.59%
S&P 500 Index	-19.29%
NASDAQ Composite	-21.49%
MSCI World (ex. U.S.) in U.S. dollars	-28.42%
Russell 2000	-10.38%
Russell 1000 Value Index	-18.85%
Russell 1000 Growth Index	-20.27%
Major Bond Indexes	
LB Intermediate Treasury	+4.61%
Lehman Brothers/U.S. Aggregate	+0.63%
Mutual Funds	
Large-Cap Growth (Morningstar)	-21.71%
Large-Cap Value	-21.73%
Small-Cap Growth	-18.40%

(Source: Morningstar)

*Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

**"Being defeated is often a temporary condition. Giving up is what makes it permanent."
~ Marlene vos Savant**

RECOVERY ON THE HORIZON

A fresh round of capital-market unrest has brought new pain – and new anxieties. It may not seem like it right now, but the seeds of recovery have been planted.

Financial markets have been under siege lately, as the year-old credit crisis takes a new



turn. Investors have to cope with a fresh round of shocking headlines and a crisis of confidence among large financial institutions.

The result: several high-profile financial institutions were taken over by governments, went bankrupt or were forced to sell themselves to find the capital they needed to stay in business. Transmitted through a global financial web, the crisis began to take hold around the world.

Credit markets effectively stopped functioning, and the ability to fill a basic need such as borrowing money became a looming question mark. It's a sobering reminder of the deep connections between the financial sector and the economy around us.

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In response, central banks are injecting liquidity into markets globally, coordinating rate cuts and considering other forms of intervention. The U.S., for example, is rolling out a historic \$700 billion relief plan and others are following suit.

Right now, the air's thick with anxiety, investors everywhere are turning their backs on risk, and the headwinds are imposing. With the global economy slowing considerably, things are likely to get worse before they get better. But they will get better.

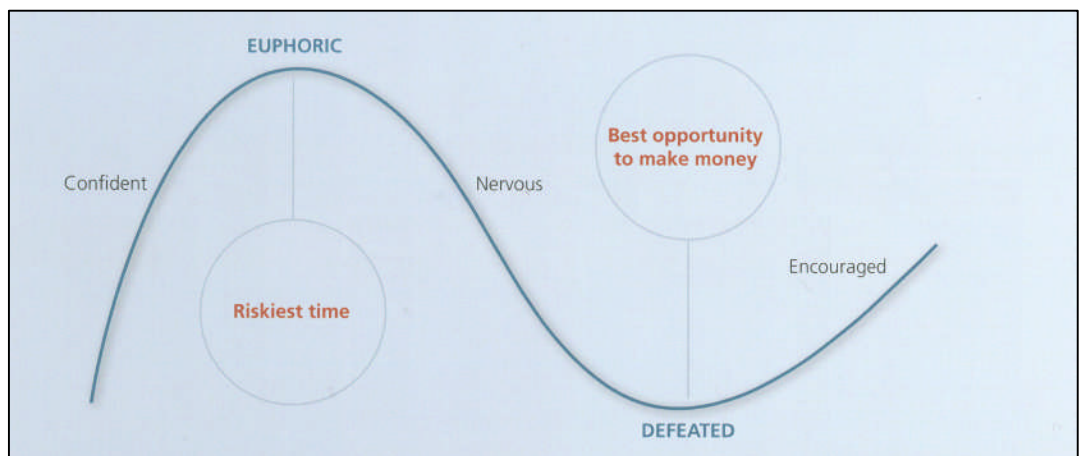
The financial sector has already recognized substantial losses: research strongly suggests that there are more losses to come, but they represent some of the first seeds of recovery. Government help should add stability to capital markets, and in the meantime, the distaste for risk has left markets filled with opportunities.

The bottom line for investors is to stay resilient. Difficult times create opportunities that pave the way for better days ahead. While this is a painful process, it's vital to keep your portfolio on track – and your long-term goals in sight (source: Alliance Bernstein).

Market cycles depend as much on people's emotions as they do on market fundamentals.

EMOTIONAL ROLLERCOASTER

When a stock or fund you purchased goes up, you feel euphoric. When it goes down, you feel defeated. But making an investment decision based on emotional reasons instead of analytical ones can lead to costly mistakes. As they say about roller coasters, you only get hurt if you jump off in the middle of the ride.



This hypothetical scenario is for illustration purposes only and is not a prediction of future market conditions.

"I skate to where the puck is going to be, not to where it has been."

~ Wayne Gretzky



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A NOTE FROM HISTORY

“All of our customers with money must some day put it to work – into some revenue producing investment. Why not invest it now, when securities are cheap? Some people say that they want to wait for a clearer view of the future. But when the future is again clear, the present bargains will have vanished. In fact, does anyone think that today’s prices will prevail once full confidence has been restored? Let us face it – these bargains exist only because of terror and distress. And when the future is assured, the dollar will have long since lost its present borrowing power. It takes courage, of course, to be optimistic about our country’s future when nearly everyone is pessimistic. But it is cowardly to assume that the future of the United States is in peril.” (source: Dean Witter, May 6, 1932)

RAYMOND JAMES

Raymond James ranks highest in full-service investor satisfaction among full service brokerage firms, according to the *J.D. Power and Associates 2008 Full Service Investor Satisfaction Study*.^(SM)



The study measures overall investor satisfaction based on six factors that influence the customer experience: Investment Performance; Financial Advisor/Broker; Commissions and Fees; Account Set-up and Offerings; Convenience; and Account Statements.

With an overall score of 831 on a 1,000 point scale Raymond James’ performance was 55 points above the industry average. For 2008, Raymond James not only received the highest score for overall satisfaction, but it also received the highest satisfaction scores in each of the factors measured. Raymond James is the first full-service investment firm to rank highest in all factors since the study debuted in 2002.

TAX PLANNING

- *Charitable Gifting* – The federal government’s rescue plan for banks renews a popular opportunity for charitable giving. People over age 70 ½ again can donate as much as \$100,000 from their individual retirement accounts to charity tax free (source: Wall Street Journal).
- *Giving in Away* – The annual gift exclusion rises to \$13,000 in calendar year 2009, an increase of \$1,000 from this year. All U.S. citizens can make gifts of cash or other property worth up to \$13,000 in 2009 to an unlimited number of people without gift tax consequences (source: IRS).

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- *Estate Tax Credit* – In 2002, the applicable credit amount began to gradually increase and will continue until estate taxes are totally repealed in 2010. In 2008, the applicable exclusion amount was \$2,000,000, which will increase to \$3,500,000 in 2009.

- *Social Security Income* – Social Security benefits will receive a cost of living increase of 5.8% in 2009.



- *Wage Limits* – The maximum annual wage subject to Social Security Tax will increase to \$106,800 in 2009. The maximum annual wage that someone under the normal retirement age can earn without a reduction of Social Security benefits is \$14,160.
- Please see the enclosed article on capital gains distributions for 2008.

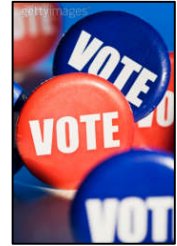
FACTS THAT COUNT

Below are some statistics that we thought you'd find interesting:

- *Millions to Billions* – Trading volume on the New York Stock Exchange first exceeded 10 million shares in a single day during the 1929 crash. Trading volume on the exchange on October 10, 2008, was 11.2

billion shares or more than a 1,000 times increase from the 1929 level (source: NYSE).

- *Voters* – In 2006, the latest year for which Census data is available, 220 million Americans were eligible to vote and 89 million – 40% – paid no income taxes (source: Tax Policy Center, a joint venture of the Brookings Institution and Urban Institute).



STAFF NEWS

Kathleen will attend a two day Due Diligence meeting with Russell Investments in Seattle November 6th and 7th discussing the current financial market, investment strategies, and best practices.

Kathleen and Nicole will also attend meetings in Colorado in December as part of an annual conference with colleagues to discuss current issues facing the financial planning industry.



October is Breast Cancer Awareness Month and holds a special place in our office as well as with many of our clients. In support of this cause that has touched many of our lives, we are providing the enclosed bookmark from Susan G. Komen For the Cure. Proceeds help support research, education, screening and treatment programs worldwide. In addition we are offering bottles



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of Athena Water in the office through the end of November. Athena Partners is a local company whose net proceeds are donated to women's cancer research.



Many of you have joined us in celebrating the holidays by attending our holiday open house in the last couple of

years. In recognition of many struggling families in Washington this year, we will be donating to the local Northwest Harvest in place of hosting an evening at our office. This organization partners with nearly 300 food banks and meal programs across Washington State to provide 18 million pounds of nutritious food each year to those in need, more than 50% of those being children and the elderly. Northwest Harvest receives no government funding and relies only on contributions from individuals, businesses, foundations, and other organizations. If you would like to participate with food or money donations, please let us know.

Please note our offices will be closed November 27th and 28th, December 24th-26th, and January 1st for our staff to celebrate the holiday season with their families. Regular office hours are Monday through Thursday 8am-6pm, and Friday 8am-1pm. We'd like to remind you that in the event you are unable to speak with someone at our office, you can always contact Raymond James Client Services directly for assistance with your accounts at (800) 647-7378.

We want to thank those of you who have referred your associates, clients, family

members and friends to us. Your referrals are personally and professionally the most satisfying way for our practice to grow.

IN THE NEWS

We are excited to share some of the recent buzz about Kathleen:



Kathleen was featured in Financial Advisor Magazine, where she shares her story of becoming a Financial Planner and creating a niche in the divorce arena. If you would like to read this article, you can view

it online (http://www.fa-mag.com/issues.php?id_content=2&idArticle=1838) or you can request an email copy by contacting our office. We will also have the magazine available in the office.

Kathleen will continue to be a regular contributor on the



second season of local TV show "About the Money" with its new host Josephine Cheng, produced by PBS affiliate KCTS/9 airing October through March. Upcoming episodes include discussion on the economy, remarriage, and more – please tune in on Tuesdays at 7:30 p.m.

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In addition Kathleen will also be a regular guest on the morning radio talk show “Chat with Women” with hosts Rochelle Alhadeff and Pam Gray, produced by KKNW/1150 AM. Kathleen will speak on a variety of financial topics airing January through March 2009.

Kathleen was honored for the second year in a row to be named one of the top 250 wealth advisors in America in the October edition of *Worth Magazine*. Kathleen was one of only forty women to make the list and one of five advisors from Washington State.



Read more articles and view past media appearances by visiting www.fairsharedivorce.com and www.milleradvisors.com.

NORTHWEST HIGHLIGHTS

The Holiday season is nearing and with that comes the frenzy to find the perfect gifts for friends and family. One idea is to give the gift of time this year by enjoying some of these wonderful experiences with your loved ones:

Culinary Getaways – L'Auberge Edge of Seattle (actually in Woodinville) is one of many local bed & breakfasts now featuring various culinary classes as part of their getaway package. With such classes as French Regional Cuisine, Wine Pairing, and many more there is

no problem finding the perfect class for someone on your list. More information at www.edgeof-seattle-getaway.com or www.wbbg.com.

Private Glass Blowing Lessons – Patrons of Dale Chihuly will love this unique opportunity to learn with an experienced instructor and produce a variety of pieces. More information at www.cloud9living.com.



Mariners Fantasy Camp in Arizona – Join the Seattle Mariners during their spring training and be a part of the team with instruction from Mariner coaches, games with current and former Mariner players, and more. Other baseball teams are available as well. More information at www.hendersonbaseball.com.

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Past performance does not guarantee future results.

If you have any questions or feedback regarding the Miller Advisory newsletter, please contact Nicole at (425) 822-8122 or n.miller@milleradvisors.com and let her know how we can improve our communication with you.