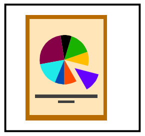
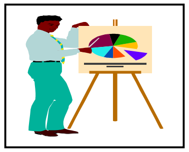


MONEY MANAGER NEWSLETTER
OCTOBER 2002

INVESTMENT CONSULTING GROUP, INC.
Donald R. Stanforth, CIMA



MICHAEL DANA AND JAMES IVEY – DANA INVESTMENT ADVISORS

We are two and one-half years into a bear market. That's longer than the last major bear market (1973-74), which only lasted one and one-half years. There have been many comparisons made in the press with these two time periods. Both followed major bull markets, and both had extended periods of horizontal movement in stock prices that frustrated investors to no end.

Right now the scales are tipping toward deflation. Other than housing costs, prices are declining for most goods and services. The consumer has been spending their new found money in the mortgage refinance area, and this has propped up the economy to date. The consumer is more concerned about job security and the recent slow down in retail sales is the result. More money will be directed to savings even with the low return afforded that venue.

There is continued selling of equity mutual funds, and mutual funds themselves are closing their doors or selling out to larger funds. Sounds pretty grim, but actually, that's the good news. All of this negativity will eventually flush out the excesses in the market that were incurred during the 1990s. A good solid bottom will be put in place. Corporate earnings will eventually be believable again, and it will be safe to go in the water. We have felt that the 7500 area in the Dow would be a good bottom.

DONALD R. STANFORTH – PRESIDENT

The current returns of the stock market are two standard deviations away from the mean. The risk of being out of the market is very high and a recovery could be significant.

Attention to the stock market is like following your favorite sports team - if they are winning, we read the sports page even if we were at the game. When the team is losing, we don't open the paper – just like the stock market.

When investments outperform we need to be more defensive….when they under perform we must be more aggressive and study more. This helps to keep emotions low.

RANDOM THOUGHT

Experience is a wonderful thing. It enables you to recognize a mistake when you make it again.

"UP" AND "DOWN" MARKETS
Total Returns (%)

"UP" MARKETS			"DOWN" MARKETS		
	No. of Months	S&P 500 %		No. of Months	S&P 500 %
Jan 1926 – Aug 1929	44	193	Sep 1929 – Nov 1929	3	-33
Dec 1929 – Mar 1930	4	21	Apr 1930 – Jun 1932	27	-80
Jul 1932 – Aug 1932	2	92	Sep 1932 – Feb 1933	6	-30
Mar 1933 – Jan 1934	11	105	Feb 1934 – Jul 1934	6	-21
Aug 1934 – Feb 1937	31	135	Mar 1937 – Mar 1938	13	-50
Apr 1938 – Dec 1938	9	61	Jan 1939 – April 1939	4	-16
May 1939 – Sep 1939	5	22	Oct 1939 – May 1940	8	-26
Jun 1940 – Oct 1940	5	22	Nov 1940 – Apr 1941	6	-13
May 1941 – Aug 1941	4	14	Sep 1941 – Apr 1942	8	-22
May 1942 – May 1946	49	210	Jun 1946 – Apr 1947	11	-21
May 1947 – Oct 1948	18	23	Nov 1948 – Jun 1949	8	-10
Jul 1949 – Jul 1957	97	429	Aug 1957 – Dec 1957	5	-15
Jan 1958 – Dec 1961	48	105	Jan 1962 – Jun 1962	6	-22
Jul 1962 – Jan 1966	43	90	Feb 1966 – Sep 1966	8	-16
Oct 1966 – Nov 1968	26	52	Dec 1968 – Jun 1970	19	-29
Jul 1970 – Dec 1972	30	76	Jan 1973 – Sep 1974	21	-43
Oct 1974 – Dec 1976	27	86	Jan 1977 – Feb 1978	14	-14
Mar 1978 – Nov 1980	33	86	Dec 1980 – Jul 1982	20	-17
Aug 1982 – Aug 1987	61	282	Sep 1987 – Nov 1987	3	-30
Dec 1987 – May 1990	30	71	Jun 1990 – Oct 1990	5	-15
Nov 1990 – Apr 1998	90	345	May 1998 – Aug 1998	4	-13
Sep 1998 – Aug 2000	24	63	Sep 2000 – Sep 2002	25	-45
Averages			**Averages**		
22 Cycles 1926-2000	31	117	22 Cycles 1929-2002	10	-26
12 Cycles 1947-2000	44	142	12 Cycles 1948-2002	12	-22