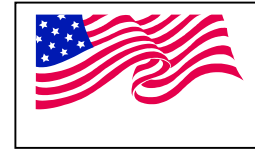


MONEY MANAGER NEWSLETTER

APRIL 2003

INVESTMENT CONSULTING GROUP, INC.

Donald R. Stanforth, CIMA



RICHMOND CAPITAL MANAGEMENT – FIXED INCOME INVESTMENT COUNSELORS

Over the long term, bond prices are driven by economics and inflation expectations. In the short term, these key drivers can take a backseat to political events. While daily information regarding the war in Iraq affects the outlook and direction for both stock and bond markets, we continue to track important economic fundamentals which will, in the long term, determine the level of interest rates.

At the conclusion of its March meeting, the Federal Reserve left policy unchanged and the Fed Funds rate at 1.25%, and then made no statement as to their “bias” going forward. The lack of “bias” was considered unusual by the marketplace, but most participants believe that the Fed prefers not to be on the record as leaning in any particular direction given the presence of the “war wildcard”.

It is still very possible that the Fed could once again ease short-term rates. An ease could be precipitated by further weakness in April’s data or by a geopolitical event. While the short-term direction of the Fed Funds rate is hard to predict, longer term rates may have already seen their lows in yield. Over the past few months, the 10 year treasury has bounced up and down between 3.50% and 4.00%. We believe that a wartime “flight to quality” premium has been priced into the treasury market. These factors lead us to believe that interest rates are biased to rise.

LEUTHOLD GROUP – STEVE LEUTHOLD

For many investors, March 10, 2000 was the day the music died. Three years ago, March 11, 2000, the Nasdaq peaked at 5048.62. The S&P 500 ran for two more weeks and then that song was over also.

Currently, Leuthold believes Technology is the way to make money with 25% of his portfolio in Tech stocks (three years ago they held 0%). The reason is most analysts are underestimating earnings.

S&P 500 earnings multiple (840) is at 1957 levels. That is not cheap but it is not expensive either. “We believe the Bear market is over and currently the market

is going through a testing phase.” Even with all the bad news and the war, the market has built a strong base.

Lastly, the market has peak-to-trough dropped 50%. The average investor may be out of the market for up to 10 years. And they will probably miss out by doing that.

ADDING A VALUE BIAS - DONALD R. STANFORTH

Statistics confirm that the S&P 500 Index is a growth-biased index. Investment managers (both large growth and large value) have consistently pointed out that the S&P 500 Index is largely biased toward the top ten holdings, and further these top ten positions are weighted toward a growth style.

The following chart compares returns. The new concept of equal-weighted vs. cap-weighted S&P 500 Index equal-weighting add a value tilt to the portfolio and most importantly it treats the Index similar to how a professional investment manager would manage the S&P 500.

Equal vs. Cap-Weighted Performance Annualized Since 1928

# OF YEARS	EQUALLY-WEIGHTED S&P 500 INDEX	CAP-WEIGHTED S&P 500 INDEX	DIFFERENCE
1 YEAR	2.02%	-11.88%	13.90%
5 YEAR	13.40%	10.70%	2.70%
10 YEAR	14.84%	12.93%	1.91%
20 YEAR	16.59%	15.24%	1.35%
50 YEAR	13.60%	12.00%	1.60%
76 YEAR	12.35%	10.71%	1.64%

“Most people get interested in stocks when everybody else is. The time to get interested is when no one else is.” – WARREN BUFFETT