

Performance Parameter	At 12/31/2002	5-Year Change Annualized
Better Investing's Top 100 (An index consisting of the 100 stocks most widely held by NAIC members.)	476.55	1.9%
Vanguard Total Stock Market (Wilshire 5000)	20.07	(2.4)
Dow Jones Industrial Average (DJIA)	8341.63	1.1
Nasdaq Composite	1335.51	(3.2)
S&P 500 (Large-Cap Stocks)	879.82	(1.9)
S&P Mid-Cap 400 Index	429.79	5.2
Russell 2000 (Small-Cap Index)	383.09	(2.6)
Value Line Arithmetic Composite	1033.75	3.3
Consumer Price Index (November)	181.3	2.3
S&P 500 Operating Earnings	46.72	1.2

Source: *Better Investing*

NAIC Most Active

Here is a look at the companies attracting the interest of NAIC investors, according to their recent buy and sell decisions, as reported by a small, informal sampling — about 850 transactions — for the trailing two months ended Dec. 31, 2002.

Company	Buys-Sells
1. Home Depot (1)	54-0
2. Pfizer (2)	33-1
3. SunGard Data Systems (3)	29-0
4. Synovus Financial (5)	27-1
5. McDonald's (7)	23-2
6. General Electric (4)	21-3
7. Paychex (6)	18-0
8. Lowe's (*)	15-0
9. Harley-Davidson (*)	14-0
10. O'Reilly Automotive (9)	13-0

Note: Figures in parentheses provide last month's ranking. (*) denotes unranked in previous month. This listing is presented as a source of stock study ideas in the current market. No investment recommendation is intended.

Please consider sending your investment transactions (including date, bought or sold, and company) to: manifest@better-investing.org or by postcard or letter to Better Investing, Box 220, Royal Oak, MI 48068.

Looking at How the 62 Years Stack Up

Three Consecutive Years of Negative Returns

Regular readers of *Better Investing* will recognize this chart. It first appeared, minus results for 2002, of course, a year ago, along with an invitation to readers to guess where they felt the percentage total return for 2002 would come in, after negative returns for both 2000 and 2001. If you took us up on the offer, how did you do? Chances are some readers guessed a third consecutive year of negative returns would come — something that hasn't happened since 1941 — but chances are many others guessed results would come in at the other end of the performance spectrum. We plan to share some of the specific results and experiences in the coming months, but there's an important point that can be stressed immediately about the challenges of being a long-term investor in down markets. As reported elsewhere in this issue (see page 51), *Better Investing's* average stock returns for five-year periods ending in each of the past three "down years" have been up and better than the market. Down markets certainly affect most all companies, but there's a buoyancy that comes to many companies that have the support of growing sales and earnings. In cases in which company fundamentals are strong, weak markets can bring bargain opportunities

— BI Editors

