



GRS ASSET CONSULTING GROUP

Market Snapshot

4th QUARTER 2002 INDEX RETURNS

	Qtr	Ytd
S&P 500	8.44	-22.10
S&P/Barra Growth	7.11	-23.59
S&P/Barra Value	9.90	-20.85
S&P 400	5.84	-14.51
MSCI EAFE	6.49	-15.65
Lehman Aggregate	1.57	10.27

Major Economic Indicators

- ◆ The CPI-Urban/1982-100 for the 12-month period ended in December rose 2.4%, compared to a 1.5% increase for the 12 months ended in September 2002. In the fourth quarter, consumer prices rose at a seasonally adjusted annual rate of 1.8%.
- ◆ The Producer Price Index (PPI) for finished goods rose 1.2% for the 12-month period ended in December. The seasonally adjusted annual rate for the 3 months ended in December was 2.6%.
- ◆ Real Gross Domestic Product (GDP) rose at an annual rate of 4.0% (final) for the third quarter, 2002, compared with an increase of 1.3% (final) in the second quarter, 2002.
- ◆ The Unemployment Rate was 6.0% in December. The rate was 5.6% in September, 5.7 % in October, and 6.0% in November.

Federal Reserve News

- ◆ The Federal Reserve Board lowered the discount rate to .75% during the fourth quarter. The discount rate is the interest rate the Federal Reserve charges banks for short-term loans.
- ◆ The Federal Reserve Open Market Committee lowered its target for the federal funds rate to 1.25% during the fourth quarter. The federal funds rate is the interest rate banks charge each other for overnight loans.

Sector Trends

- ◆ Best performing sector in 2002: Consumer Staples declined 6.31%.
- ◆ Worst performing sector in 2002: Information Technology declined 37.57%.
- ◆ Best Performing Sector: Telecommunication Services rose 36.43% in the fourth quarter.
- ◆ Worst Performing Sector: Consumer Staples rose .54% in the fourth quarter.

Source: Standard & Poors (Performance reflects Price Returns Only)