

## It's Time In The Market - Not Market Timing

Since the beginning of the 21<sup>st</sup> century, investing in equities has been disheartening. All the major indices have posted losses each year including the first quarter of 2003. But, let's take a look at the stock market using a broader time horizon.

Over the long term, owning stocks has proven to be very rewarding to investors, and there are many ways to exemplify this fact. We have used the Dow Jones average, recognizing its limitations, and looked at it over an 80-year period. Several key facts emerge. In the decades beginning with 1920's and ending in 1999, the Dow rose every decade except 1930-1939, the era of the Great Depression. Over the 20-year period 1980-1999, it rose 1,270%. And, over the entire 80-year time frame, the Dow Jones average compounded at an annual rate of about 11%, including the reinvestment of dividends.

However, the result of one major index is secondary because we invest in individual companies that have growth potential. Identifying companies that have strong balance sheets, grow their businesses, and deliver consistently higher earnings and dividends is a prescription for successful equity investing.

The difficulties over the past few years reflect the unwinding of excess speculation, expectations of unrealistic returns from equities, and ignoring common sense. Yet a wonderful opportunity exists for an investor to selectively purchase high quality equities at reasonable prices offering value, growth and income.

At Abbot Financial Management, we are dedicated to this approach and believe that, in time, very satisfying returns will be realized.

<b>DJIA</b>	<b>- 4.19 %</b>
<b>NASDAQ</b>	<b>+ .42 %</b>
<b>S&amp;P 500</b>	<b>- 3.60 %</b>

Bill Novelline

Andrew Novelline

Bob McLemore

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