

## Today's investor

# Funds needn't match Dow-Jones average

Q. In mid-1973 my holding of four Mutual Funds, namely Eaton and Howard, Colonial Fund, MGI and Channing Fund Special was worth a total of \$24.71. The Dow Jones Industrial (DJIA) Average was \$165. We all know what the stock market did from that date to the present, and at one time the values dropped to a low of \$22,400. Which of course was just a paper loss.

My question is this: In spite of the fact that I have reinvested all dividends and capital gains and the Dow Jones Averages

the stocks that tend to rise the most at first are those of the blue chip quality that make up the Dow Jones Industrial Average. I don't have a list of the stocks your funds own, but they probably have a good number of stocks which are not in the average and which have not as yet attracted attention in the market.

As the stock market continues on an upward trend, other stocks will begin to attract attention, and if your fund managers have picked stocks of good intrinsic value their worth should eventually be reflected in a higher market price. If they have done a good job, their prices will move ahead of the market.

Q. I know the National Association of Investment Clubs suggests we invest in stocks of companies that are growing faster than the economy. Yet in a recent issue of Better Investing you suggested Maceo Corp. as a stock to study.

I can't see where that company is in a growth industry. How can you expect a company to grow if it is not in a growth industry?

A. It is your belief that investment purchases the most reliable growth in a busi-

ness is that which is produced by the skill and drive of management. Being in a growth industry is a nice plus, but the easy growth that comes in that type of industry can help cover up weaknesses in management.

Maceo's management has produced a steady stream of increased sales and earnings per share for many years, and it's that kind of a record we look for.

Investment club members who follow our stock study suggestions look at a company's record for the past ten years, and where they see both sales and earnings per share that have moved ahead faster than the combined growth and inflation in the economy, they learn that they have a company worth of further consideration as an investment.

O'Hara welcomes your questions but will answer them only through this column. He would be pleased to send a complimentary copy of BETTER INVESTING MAGAZINE or information about Investment Clubs to any reader requesting it. Send 20 cents for postage and write to: Today's Investor, P.O. Box 220, Royal Oak, Michigan 48064.

By  
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Board  
Chairman  
National  
Association of  
Investment  
Clubs



have now returned to \$13.40, the mutual funds have only come back to be worth \$22.50. Why don't the stocks come back up at the same rate that they fell?

A. The stocks that make up the Dow Jones Industrial Averages are 30 specific stocks. Those that make up the portfolios of the four mutual funds you can are most likely different stocks. So there is no great factored that the value of the funds and the average would have risen by the same amount.

The management of the funds have made some mistakes in the stocks or the funds in this period, and it would appear the stocks they kept in the fund and those they added have not moved up as the average have.

As minimal in a stock market recovery from a long bear market and recession

## BUSINESS PEOPLE



Bobbitt

ROBERT T. BOBBITT of Southfield has been appointed Detroit sales manager in the Michigan Division of Pepsi Cola Metro-Pittsburgh Bottling Co.

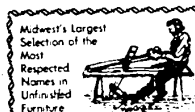
Bobbitt started with Pepsi in St. Louis, Mo., as a manager trainee in 1963, later becoming a route manager and area manager there.



Elliott

DAVID M. (MIKE) ELLIOTT of Rochester has been appointed controller of William Beaumont Hospital, Troy, which will open next spring.

Elliott began his employment at William Beaumont Hospital, Royal Oak, as a financial analyst in 1973.



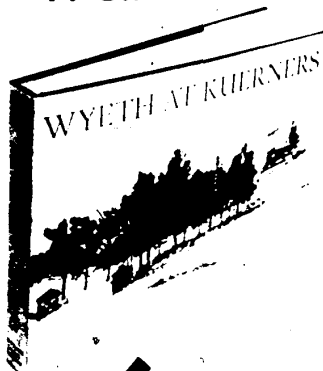
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## And you thought Santa's helpers only made rubber duckies.

Dear Santa:  
I'm 44 years old. A Purchasing Agent for a large corporation. And believe me, I've been a very good boy this year.

You know how it goes. Santa, I mean you get a lot of cookies and milk for your favors. And what the heck, I've done a few favors myself in the past few years.

So what do I get for Christmas? Fruit cakes? 48 of 'em last year alone!

I gained 28 pounds just opening them up. Anyway, Santa, I know you're busy with the elves and all making those rubber duckies, but there's a place here in town, a place called Silver's, and nothing personal you understand, but they've got gifts. Real gifts. Bar sets. Glasware. Things I can really use. Artistic things, too. And leather bags and desk sets. Class stuff that fits my image.

Now my request is, Santa, why not

make Silver's one of your helpers here in town. I mean they can do it all. They've got the gifts. They'll wrap them. Mail them. Anything. Why not just refer all those fruit cake requests to one of their two showrooms at 16350 Woodward. Or the Tel-Twelve Mail. Where they're open all the time. Till 9:00 p.m. daily 6:00 p.m. on Saturdays. And they'll be open Sundays, too, after Thanksgiving.

Tell you what, Santa. If you make

Silver's one of your helpers, I'll work out a deal for you on a new sleigh. Just think about it, please. Merry Christmas. Desperate.

Dear Desperate:  
Fantastic idea! As of right now, Silver's is one of my official helpers in the Detroit area. Merry Christmas to you, Santa.

PS Skip the sleigh, let's talk about a Seville.



## The Silver's Touch