

Timing can make investment grow

table I ABC mutual fund: timed

date	Invested In	total value
01/01/80	money market	\$10,000
04/07/80	equity	10,249
12/31/80		18,425
01/08/81	money market	18,187
12/31/81		21,187
09/10/82	equity	23,113
12/31/82		30,444
12/31/83		37,723
01/08/84	money market	34,761
08/01/84	equity	36,634
12/31/84		37,535
01/28/85	money market	42,189
03/15/85	equity	42,575
08/08/85	money market	45,888
11/11/85	equity	46,528
12/31/85		50,307
06/10/86	money market	58,101
06/30/86		58,289

Table II

stock market outlook	percent allocated to stocks	percent allocated to bond fund or money market
very positive	90-100	0-10
positive	60-90	10-40
neutral	40-60	40-60
negative	10-40	60-90
very negative	0-10	90-100

By Sid Mittra
special writer

One way to increase the value of money you invest is to buy low and sell high. While true, this truism is practiced by money managers who specialize in investing in stocks when the market is too low — likely to rise — then investing in liquid assets when the market is too high — likely to decline. This investment technique is known as timing.

In choosing market timers, specialists say you should ask for brochures the investment manager is required to give you as part of a timer's registration with the Securities and Exchange Commission.

Make sure you feel comfortable with the timer's techniques and investments. Also, because timing is a defensive strategy, look for an established history of steady gains and limited losses.

Today I will present excerpts from the brochure of an established investment manager. For obvious reasons, the identity of this investment manager will not be disclosed.

Table I presents the results of timing a stock mutual fund by an investment manager. This record, established over a six-year period covering both good and bad times, is impressive.

The investment manager claims that in a rising market, 80 percent of all stocks rise, and in a falling mar-

ket, 90 percent decline. Consequently, claims the investment manager, flexibility is an important ingredient in investment success.

There are times when stock market conditions indicate the market is likely to decline. In these periods, a defensive move out of the stock market and into money market funds or fixed income securities is important to preserve capital.

The model used by the investment manager to chalk up the impressive record presented in Table I is rather simple.

The investment manager first selects a good mutual fund family that offers full-time professional management, flexibility, diversification, liquidity, and convenience. Then it uses its proprietary timing model to reallocate the money according to Table II.

Investment timing works only in the long run. Success is never guaranteed. What's more, higher the return during a given time period, more aggressive is the timer's technique.

Finally, timing is primarily a defensive technique. It attempts to avoid a loss more than it tries to increase a return on an investment. Nevertheless, in these times when the market is extremely volatile, a competent, professional timer with an impressive track record is worthy of your serious consideration.

datebook

BETTER BUSINESS

Saturday, Nov. 15 — Better Business Bureau/Detroit and Eastern Michigan presents Founders Award to Hudson's and McBryde Boot Shop. Information: Nancy E. Yarost, 962-955.

REAL ESTATE AND TAX REFORM

Saturday, Nov. 15 — "How Will Your Real Estate Investments and Other Limited Partnerships Fare Under the New Tax Reform Act?" presented at 9 a.m. in Southfield. Free. Information: Heidi Egan, 827-2670. Sponsor: Dean Witter Reynolds Inc.

PERSUASION SKILLS

Monday, Nov. 17 — "Improving Your Communication and Persuasion Skills" offered 9 a.m. to 4:30 p.m. in Troy. Fee: \$225. Information: 1 (800) 428-4284. Sponsor: Michigan State University.

VOLUNTEER COUNCIL

Monday, Nov. 17 — Michigan Corporate Volunteer Council, made up of corporate volunteer program administrators, meets. Information: Mary Kennedy, 225-2461.

WOMEN AND STRESS

Tuesday, Nov. 18 — "Stress Management for the Working Women," a one-day seminar, will be offered in Detroit. Fee: \$44. Information: 1

(800) 423-5540. Sponsor: Business Women's Training Institute.

JOB HUNTING

Tuesday, Nov. 18 — "Networking and Communicating With Employers" presented 7-10 p.m. in Farmington Hills. Fee: \$25. Third of five sessions. Information: 370-3033. Sponsor: Oakland University Continuum Center.

CREDIT WOMEN

Tuesday, Nov. 18 — The National Association of Credit Management Credit Women's group presents "An Automated Business Report Workshop" 2-3 p.m. in Southfield. Fee: \$15. Information: Dawn Wallace, 549-9600.

BUSINESS COMMUNICATORS

Tuesday, Nov. 18 — International Association of Business Communicators meets. Information: Lili Donaldson, 354-7450.

TAX REFORM AND REAL ESTATE

Wednesday, Nov. 19 — "The Tax Reform Act and Its Implications for Real Estate" will be offered 9:30-11:30 a.m. in Detroit. Fee: \$30. Information: Debbi Claxton-Merritt, 855-4400. Sponsors: Institute of Real Estate Management, Detroit Board of Realtors.

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How the Big E beats the other banks.

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Long-term — 2-Year CD

	YIELD	RATE
The Big E	7.15%	6.91%
Manufacturers Nat'l Bank	6.17%	6.00%
National Bank of Detroit	6.17%	6.00%
1st Federal of Michigan	6.24%	6.10%

Short-term — Money Market Account

	YIELD	RATE
Big E Insured Fund Beater	6.00%	5.83%
Manufacturers Nat'l Bank	5.50%	5.35%
National Bank of Detroit	5.50%	5.35%
Comerica	5.44%	5.30%

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