

OAKLAND BUSINESS & Finance

Gain success criteria for investment

MORE THAN MONEY

First of two parts.

SID MITTRA
Ph.D.

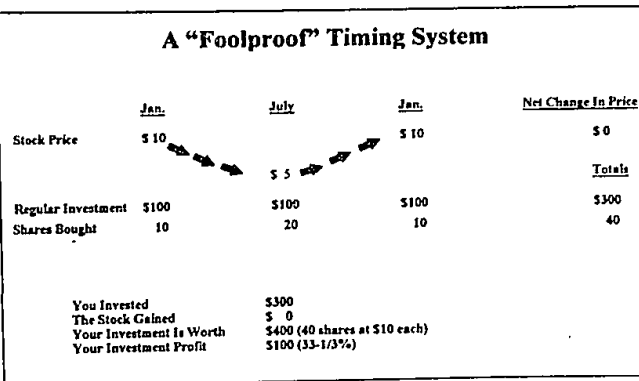
It is no secret that during the last few years, the character of the stock market has dramatically changed. The venerable bull market of the 1980s may well be over. The market is much more volatile than it has been in the past, and the average volume daily flirts with 350 million shares. The international component of the market increases almost every month, and the relationship between the stock market and the bond market has become much less predictable.

It's little wonder that most investors are looking for new criteria for developing their winning investment strategies for 1995 and beyond. Fortunately for them, the time-tested maxim still applies: The more things change, the more they remain the same. Here are 10 proven rules for developing successful investment strategies for 1995.

Invest for the long term

The most powerful criterion for success in the investment world is time, so get time on your side. You can expect to derive two major benefits from your long-term investment. First, the magic of compounding works wonders over time. Second, signs and signs that your investments experience in the short run are smoothed out in the long run, so your investments are subjected to much less volatility as you invest for the long term.

Here is a classic example of how time can work for you. If Bob, age 18, invests in an IRA from age 18 to 23 (a total of \$12,000 investment in six years) and manages to earn 15 percent a year, at age 65 he will have \$6,202,016. However, if Bill starts a \$2,000 a year investment plan at age 24 and manages to get the same 15 percent annual return, he will have only \$4,709,994 at age 65 even though he would have to continue to invest \$2,000 a year during his en-



tire working life (from age 24 to 65). Also, as revealed by Table 1, even a 13-percent annual return won't change the facts, although the gap between the two investments won't be quite as significant.

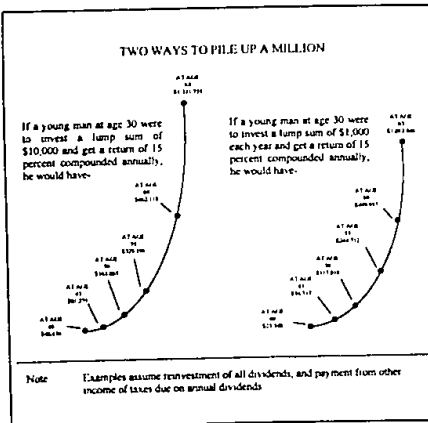
Be consistent

The biggest problem in long-term investment is created by failing to follow a pattern of regular investment, however small those investments might be. The main advantage of this approach is that once you routinize an investment process, it can become virtually painless to implement it. The result is that one day you wake up and are pleasantly surprised to discover that your investments have multiplied over the years to a very impressive sum.

For instance, Figure 1 shows that a person saving on a regular basis can accumulate as much as another person who invests a lump sum at the beginning.

Diversify

Different types of investment assets do not move in tandem. During some years, value stocks experience a major move and the



growth stocks lag behind, while in other years it's the growth stocks that become the darlings of the stock market. Such a contrasting

performance exists between stocks and bond markets as well.

See INVESTMENT, 6A

BUSINESS MILESTONES

This column highlights promotions, transfers, hirings and other key personnel moves within the Farmington-area business community. Send a brief biographical summary — including the towns of residency and employment and a black-and-white photo, if desired — to: Business Editor, Farmington Observer, 33411 Grand River, Farmington, Michigan 48335. The Observer's fax number is 1-810-477-9722.

John Ross has joined Shanker & Stout Valuation Consultants in Farmington Hills as a director of the firm. He will be responsible for business development in the firm's broad scope of services, including business valuation; real estate, machinery and equipment appraisal; litigation support; and mergers and acquisitions. He will also oversee the firm's real estate valuation and machinery and equipment groups.



ROSS

Jeffrey Haller M.D., a primary care physician in the Farmington Hills area, has introduced a new associate to his practice. David Hug M.D., Internal Medicine and Pediatrics, is joining Haller to provide health care for adults and children. He recently completed his training at William Beaumont Hospital, Royal Oak.



HUG

Richard Grossman of Farmington Hills has been named president and executive director of Sav-Mor Drugstores. Sav-Mor currently has 34 stores out of Novi.

Richard Gardner of Farmington Hills was honored by Square D Company for outstanding job performance. He is one of 47 employees throughout North America who have been cited for their achievement during the past year with Square D's "People Who Made a Difference" (PWMD) awards.

By strongly focusing in on the needs of his customer, Gardner earned a perfect record of winning every order that he quoted to General Motors operations around Detroit in 1994. He then expanded sales to other GM locations in North America.

Michael W. Grievos of Commerce, president of Farmington Hills Data Systems Network Corp., has been elected chairman of the Michigan Technology Council's (MTC) State Board. He graduated from Michigan State University with a bachelor of engineering degree in computer science and received his MBA degree from Oakland University.

Grievos is co-founder and president of Data Systems Network Corp., which was cited as one of the top 50 North American systems integration companies. He is also a principal in Emerald Partners, a management consultant and investment firm.

The Epilepsy Center of Michigan's Board of Directors has elected Gary J. Dopirak of Romeo to a new, three-year term on the board. He is vice president of human resources at Harvard Industries in Farmington Hills for the 1993-95 term.

Steve Wild, president and chief operating officer of Grace & Wild Digital Studios in Farmington Hills, has announced a number of additions to the teleproduction facility's staff. Lori Jo West joined the company as marketing manager; Douglas Kaer has joined the company as a video production engineer, providing technical video and audio support; John Maxey has joined the company as a video production engineer; David Becker joined as video production engineer; Terry Brennan has joined as on-line editor.

Kevin H. McKervey of Farmington Hills, CPA and Partner of Schmalz & Company, P.C., was asked to serve as the World Trade Club President of the Greater Detroit Chamber of Commerce. The World Trade Club promotes international trade on behalf of Southeast Michigan.

VISITORS WELCOME

OPEN HOUSE

IN CELEBRATION OF OUR 39TH ANNIVERSARY

When You Stop In For A FREE Figure/Fitness Analysis & Spa Visit, We'll Give You A...

FREE Hanes® Designer Fitness Shirt & Foster Grant® Sunglasses*

39TH ANNIVERSARY SPECIAL

\$3.50 A WEEK, PAYAS YOU GO!

First time visitors over 18 ONLY. Check Free Program Available. Full hours usage in the club you join. \$40 Enrollment Fee Required.

Fitness USA

HEALTH SPAS

*Dr. Kenneth Cooper, MD, the father of aerobics and the nation's most prominent exercise specialist, maintains that fitness facilities are the best equipped to help Americans win their battle with obesity.

Lazare's

Great Canadian Fur Sale

Zuki Collection	Regular Price	U.S. Sale Price	U.S. Men's Size
Garnet Sheared Beaver Coat	9,995	3,628	102
Bona Sheared Beaver Finge Jacket	7,995	2,868	82
"On Air" Sheared Beaver 7/8 Coat	13,995	7,036	199
M&M Color Sheared Beaver Bomber Jacket	2,495	1,332	N/A
Macao Silk Chinchilla Coat	10,495	5,184	146
Natural Stone Martin 7/8 Coat	16,995	6,221	176

Mink Collection	Regular Price	U.S. Sale Price	U.S. Men's Size
Backglama Male Mink Coat	6,295	3,258	92
Backglama Female Mink Coat with Hood	14,995	8,868	251
The Lazare's Affordable Mink Coat 2 styles/3 colors		2,999	86
Twisted Front Female Coat in Dark Ranch or Mahogany	8,995	4,814	136
Dark Ranch Male Mink with Fox Trim	4,695	2,221	64

Luxury Collection	Regular Price	U.S. Sale Price	U.S. Men's Size
Full Length Russian Sable Coat	82,000	39,999	1,129
Montana Cat Lynx Coat	11,250	6,147	174

Outer Wear Collection	Regular Price	U.S. Sale Price	U.S. Men's Size
Cashmere 7/8 Coat with Fur Lining		1,036	N/A
Asorted Bouffant Leathers from Louis Perard		406	N/A
With Fur Lining	1,195	450	N/A

Miscellaneous	Regular Price	U.S. Sale Price	U.S. Men's Size
Platinum Fox Coat	6,295	3,480	98
Crystal Fox Coat	6,895	3,554	100
Indigo Fox 3/4 Coat	4,595	2,517	72
Raccoon Coat	3,295	1,702	49

Men's Collection	Regular Price	U.S. Sale Price	U.S. Men's Size
Italian Shearing Jacket	1,695	962	N/A
Fisher Coat	8,795	4,666	132
Coyote Coat	3,895	2,147	61
Fisher/Leather Reverse Jacket	5,695	3,184	90
Macintosh Jacket with Fur Lining	650	361	N/A
Raccoon Coat	4,295	2,369	68
Blackglama Mink Coat	7,995	3,480	98

up to 50% off

Free Storage Unit Full & Shipping Anywhere in North America

August Hours: 10 a.m. - 6 p.m.

* Monthly payments listed based on 18% down. Calculated on 36 month term to approved purchaser. No Duty. No Tax.

493 Ouellette Ave. Windsor, Ont. 313-961-4731