OAKLAND BUSINESS A Finance

Volatile market can spark rewards for investors



MORE THAN MONEY who uses the dollar-cost-averaging strategy, you may be pleased to discover that market volatility can be your friend. The proof is in the table of the table of the table contrasted with the high-volatility case, presented on the left side, is contrasted with the high-volatility case, presented on the left side, is contrasted with the high-volatility case, presented on the right side. Clearly, if the prices awing widely, by Investing \$12,000 over a 12-month period, you are able acquire 1,637 shares at an average cost of \$7.50 per share. When the market awings an tempered, however, the same \$12,000 buys only 1,648 shares at an average cost of \$3.09 per share. (See volatility chart.)

To see how a volatile fund can be rewarding for an investor in an accumulation phase who follows the dollar-cost-averaging strategy,

ħ	ARKET VOLATILI (Kample: \$1,990 System		
Low-Volatility Case		High Volatility Capa	
Price	Hamber of Sharm	Price	himster of Sharps
- B10	100	\$10	100
	129	,	143
ě	167	- 5	200
7	143	9	111
10	100	n	91
12	E3	13	.77
10	100	9	111
,	143	?	10
6	167	:	200 200
•	167		111
	125	10	_100
10	_102	10	-104
oxal Sharra Perc	(4)	(387)	
verses Cost Per	Share (2) 57,89	₿ \$7,54	

take a look at the way the five vol-atile funds behaved during June 1991 through June 1994. See funds

It should be obvious that, since It should be obvious that, alone the dollar-cost-averaging strategy was followed during an accumulation phase, people investing in these volatile funds were able to chalk up significant gains. While no definite claims can be make for volatile funds, it is pleusible to state that if you are in an accumulation phase, in the long run,

you are likely to wind up with more shares in the portfolio than would be the case if the money were invested in a slow- and steady-performing stock or mutu-al fund.

Sid Mittra, Ph.D., CFP, is pro-fessor of finance, Oakland Univer-sity, Rochester Hills, and owner, Mittra & Associates, a Troy finan-cial consulting firm. Oahland Uni-versity professor Jerrold Gross-man critically this column.

<u>Funds</u>	% Biggest Gain	Quarterly Loss	%Gain (or loss) June '91 to June '94
Newport Tiger	37.0%	-23.9%	25.7%
Oakmark	18.0	-4.2	38.7
PBHG Growth	42.3	-29.1	24.7
Strong Opportunity	. 14.7	-12.9	16.3
Third Avenue Value	27.0	-2.9	15.0



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BUSINESS MILESTONES

This column highlights promo-tions, transfers, hirings, openings and other key business news with Farmington-area connections. Send a brief biographical summa-y—including the towns of real-dency and employment and a photo if possible to: Business Ed-itor, Farmington Observer, 33411 Grand River, Farmington 48335. The Observer's fax number is (310) 477-9722.

(810) 477-9722.

The New Generation Dell, formerly Lox, Stock and Barrel, in the Muirwood Shopping Center at Drake Road and Grand River in Farmington Hills is open for business under new owners Scott Benedict and Ravi Subhedar.

The menu includes dell-type food including homemade soups, salads and desserts. Breakfast specials are offered seven days a

week from 7-11 a.m. A catering service with free set-up is also available.

Regular hours are 7 a.m. to 8 p.m. Monday-Friday, 8 a.m. to 8 p.m. Saurday and 9 a.m. to 8 p.m. Sunday, Telephone naturbers are: 476-1190 (voice) and 476-1477 (fax).

"Water arcited about being part

are: 478-1190 (voice) and 4701417 (fax).

"We're excited about being part
of the Farmington community,"
Benedict asid, "and we would like
to welcome everyone to stop by."

The Rehab Team, formerly
Medi-Speech Service, a Farmington Hills company that provides
rehabilitation services to hospitals, nursing facilities and home
care agencies, is expanding its
services with the opening of an
outpatient rehabilitation clinic.
The expanded facility will be providing outpatient physical thera-

py, occupational therapy and speech-language pathology ser-vices. The Rehab Team clinic is at 30500 Northwestern Highway, Suits 316. The phone number is 539-2900.

Josehim Cummings has been named general manager of the Tubby's Sub Shop at \$1715\$ Grand Lake Road, Farmington. He will be responsible for the day-to-day operations of the restaurant. He is studying cultary arts and restaurant manifestings are supported by the support of the supp Josephim Cu

linary arts and restaurant man-agement at Schoolcraft College.

April Jernigan of Southfield

See MILESTONES, 10A

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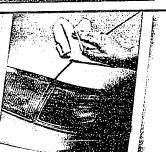
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