Thursday, October 3, 1985 O&E

Zero coupon bond: legitimate investment tool

What are they?

Zero coupon bonds are a lot like U.S. Savings Bonds. You pay a fraction of the face amount. Upon maturity, you redeem the bond at full face value. It is called "zero" because you get no current interest income. Instead, the interest (usually compounded semianually) is paid in a lump sum at redomption.

11 percent, your money could grow to \$1,000 in 20 years. There is no tax deferral with a zero. The interest credited every year is taxable currently, even though it isn't immediately paid to you in cash. For this reason, zeros are popular for For this reason, zeros are popular shadow the state of the control of the cont

will owe low or no taxes on the annual like scaled 'zero' because you get no turrent interest income. Instead, the attention (sugarty compounded seminarisation) is paid in a lump sum at also find zero corporates, zero municidemption.

For instance, if you put down #117 at



finances and you

Sid Mittra

Two things makes the zeros popular. First is their simplicity. Your semiannual interest is automatically reinvested for you at the rate of interest paid by the bond.

better over five years by seeding their money to PQR bank in California, which is offering 12.3 percent annually on a CD. Such examples could be casily multiplied.

Additional facts about zeros:

Second, your mency grows at a compounded rate of interest. As mentioned, related today could grow to \$1,000 in 20 years.

Will the Yield Stand Up7

One of the greatest disadvantages of zero coupon bonds is that it is difficult for the average investor to figure outs with the true yield is.

For example, ABC bank in Maryland For example, ABC ban

Remember When A

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violently than those of regular bonds. You could lose money if you had to self zeros before maturity.

Beware of zeros that you receive as a gift. A "free" \$1,000 30-year zeros sounds like a bargain, until you learn that its current value might be only \$35.

\$35.

Zero coupon bonds are not for everyone. Consult your financial planner before investing in such bonds.

datebook

O HOMEARAMA

OHOMEARAMA
Thursday, Oct. 3 — Fourteen "idea" bouses will
go on display at noon in Chestnut Run subdivision in
Bloomfield Hills. To reach Homearama, drive
north off Hickory Grove Road between Telegraph
and Labser roads. Hickory Grove Road lies between Long Lake and Square Lake roads.

◆ WANG WORD PROCESSOR Tharday, Oct. 3 — Non-credit word processing on the Wang beginning at 7 p.m. in Rochester. Fee: \$90. Information: 370-3120. Sponsor: division of continuing education, Oakland University.

● LOOKING SUCCESSFUL Saturday, Oct. 5 — "Looking and Performing Successfully" seminar on success strategies for bibls aexes offered from 9 a.m. to noon in South-field. Fee: \$35. Information: 881-5831. Sponsor: Choices Unlimited.

● JOB FAIR
Saturday, Oct. 5 — A job fair for graduate and
undergraduate students seeking first jobs, as well
as those looking to change jobs, will be held from 9
am. to 4 pm. at the Michigan Im. 18400 J.L. Ridson Drive, Southfield. Information: Jan Bond, \$371024. Sponsor: Detroit Chapter, National Black
MBA Association.

 BUSINESS SUCCESS days, Oct. 6 — "How to Succeed in Business" nar offered at 7:30 p.m. in Farmington Hills. fee. Free child care. Information: 661-9191. sor: Faith Covenant Church.

@ SUPERVISORS' SEMINAR

Monday, Oct. 7 — "Basic Supervision," one-day seminar, in Southfield. Fee: \$99. Information: (800) 821-3919. Sponsor: Keye Productivity Center.

Harold

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MEDIA FOR MANAGERS
 Monday-Tuesday, Oct. 7-8 — "Media for Managers" seminar offered in Detroit. Fee: \$375. Information: 1-312 641-0370. Sponsor: Communications of Managers 1-312 641-0370.

INTERMEDIATE SYMPHONY
 Thesday, Oct. 8 — Intermediate Lotus Symphony course offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: 645-3635. Sponsor: Cranbrook Schools.

O AUDIT ON-LINE
Tuesday, Oct. 8 — Day-long seminar on "Audit
and Control of On-Line Systems" offered in Detroit.
Non-member fee: \$130. Information: Mary Kurkowski, 645-832. Sponsor: Detroit Chapter of the
Institute of Internal Auditors.

◆ ENROLLED AGENTS
Tuesday, Oct. 8 — The Michigan Chapter of the
National Association of Enrolled Agents meets at
6:30 p.m. in Livonia. Information: 977-6950.

SMALL BUSINESS TAKES
 Tuesday, Oct. 8 — "Critical Tax Issues for the Small Business" will begin at 10:30 a.m. in Detroit. No fee. Information: E. Delbert Gray, 259-1994. Sponsor: Coopers & Lybrand.

Ocontract Manufacturers
Tuesday-Thursday, Oct. 3-10 — International
Contract Manufacturers Exposition in Cobe Hail in
Detroit. Information: Darrell Whithum, 643-6807.
Sponsor: Contract Manufacturers Expos, Ltd.

• U.S.-ISRAELI TRADE

Wednesday, Oct. 9 — Seminar on new free trade
agreement between the United States and Israel in
Southfield. Information: Michael Layne, 683-3396.
Sponsors: American Israel Chamber of Commerce
& Industry of Metropolitan Detroit, U.S. and Michigan departments of commerces.

BARTER EXPO
 Wednesday, Oct. 9 — Fourth annual Barter Expo
 open 4-8 p.m. in Southfield. No admission charge.
 Information: 544-1350. Sponsor: Michigan Trade
 Exchange.

Thursday, Oct. 10 — American Society of Body Engineers annual technical seminar in Bloomfield Township, Information: Milit Kaltz, 246-0320.

• BODY ENGINEERS SEMINAR

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Southfield (Oakland County) At: Birney Middle School 27225 Evergreen Road Southfield, (at 11 Mile Rd.) Begins: October 17, 1985 Every Thursday 6-9 p.m.

Sterling Heights (Macomb County) At: Stevenson High School 39701 Dodge Park Road Sterling Heighte, (at Utica Rd.)

Cost: 126 (including material and state forms)
Instructor: NCI Associates, Ltd.

CALL (313) 772-8390 to recitate of If more information is resident *Note: First session is FREE to Interested persons.

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