

Mutual funds 'wise' investment

Financial consultant says graduates should consider investments

By Julie Naughton
Senior Reporter

Graduating seniors interested in the investment market should consider mutual funds, said Craig Hundt, financial consultant for the investment firm of Shearson Lehman Hutton, 206 S. 13th St.

Although equities offer the highest rate of return, he said, the safest bet for recent graduates are mutual funds. Mutual funds require a relatively low investment and offer diversification and professional management, Hundt said.

Recent graduates also should keep about three months of "emergency money" in a savings account, Hundt said. Once a student has that amount of money in savings, he or she should consider putting money in other types of investments that yield higher than regular saving accounts.

A graduate's minimum investment at a larger investment firm would be about \$500, Hundt said, because there is a high cost for the investment firm involved.

"It used to be, in the early days, that you could buy 10 shares of this or 15 shares of that," Hundt said. "The market is no longer like that."

The minimum number of shares has gone up, and the price of doing business has gone up, Hundt explained. "The cost of trading won't allow a major firm to do small trades," he said. "For that reason, most major firms, including Shearson, cannot open

an account with an investment of less than \$500."

Hundt said both the major firms and discount brokerage houses require an investment of about \$500. Unlike investment houses, discount brokerages will buy stocks, but the customers must do his or her own research. In a full-service investment

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Hundt
financial consultant

firm such as Shearson Lehman Hutton, an investment consultant will take care of these matters.

Hundt said the minimum ticket price for a full-service investment firm is about \$50 while the minimum ticket price for a discount brokerage is about \$35.

The accounts that offer the best yields, Hundt said, are foreign closed-end trusts. For instance, one called the Mexico fund yielded more than 400 percent of the original investment over four years.

However, Hundt said these trusts are not the safest place for a new

graduate to place his or her money. Mutual funds, he said, are much safer.

Hundt said that in the last 10 years, the top mutual funds have averaged a rate of return of 20 percent or more. However, he warns, this rate is not a guaranteed one for the future.

Another wise investment for graduating seniors, Hundt said, would be certificates of deposit, or CDs. He said CDs can be short- or long-term investments.

"Major league" growth funds -- proven, name-brand funds -- usually require a minimum investment of \$500 and continued deposits. These deposits can range from \$50 to \$500 or more, Hundt said.

"A disciplined graduate could open an account and put in \$200 each month. That would be an optimal investment situation," he said.

But, Hundt said, graduates must have patience to put money in investment securities.

"The key is discipline," Hundt said. "Most people don't have the patience. They put money in, and when they see that the market is down, they pull their money out. But if the market is up, they don't get out and take their profit."

Hundt said experience is the best teacher.

"If you're going to be a serious investor, you will lose money. I've lost my own money in the market. But you must be willing to stick with it."

Decisions

Continued from Page 6

university, to a side of it I hadn't seen before.

Finally, I came far enough back to reach a particular room in a particular basement, full of familiar typewriters and unfamiliar faces. Through an act of kindness, I found my way back to the printed page. I was given a reason to sit down once a week and write.

Gradually, it gave me back some self-respect. A simple requirement. "A poor thing, but mine own," to quote a friend. But it has made the difference.

This small business, this call for 60 lines once a week, has pierced inward darkness and through this pinprick has become a camera obscura look at what lies outside, a notion of where I would like to be. It would not have come to me, I think, in the halls of the dusty libraries my former path of least resistance was leading me to.

In some ways, it is as if the cere-

mony last spring never happened. Last week, tucked in the corner of a jewelry box, I ran across the honors medallion I wore; the same day, the headline on my column referred to me as "graduating."

The year has been painful emotionally, difficult financially, but satisfying inwardly. The untidy stack of yellowing newsprint cluttering the footlocker in my room means as much to me as the sheet of university bond handsomely mounted in its red folder they handed to me last spring.

The decision not to take the obvious path was not an easy one to make nor an easy one to live with; some would see it as an avoidance of a decision. But I am no longer plunging ahead without questions. I'm not running scared; neither am I standing still.

The woman in the robe still is with me, but we travel together now, instead of one fleeing the other. Where we will go from here remains to be seen. All I know is that I don't have any more doubts or regrets about where I've been.

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Campus Notes



by Brian Shellito

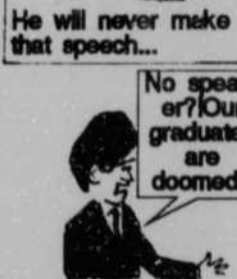
Graduation Man and Diploma Boy



Physicist Emmet Nelson is enroute to speak at a graduation ceremony...



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Enter Graduation Man...



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Think.



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