

# BUSINESS

## FINANCIAL REPORT

# MAKING THE MOST OF MUTUAL FUNDS

By Fred T. Snyder

One of the easiest methods of taking advantage of built-in asset allocation is through the use of mutual funds.

Quite simply, a mutual fund is a collection of stocks, bonds, or other securities purchased by many individual investors and managed by an investment, and a relatively easy way of keeping track of your investments.

One of the key components of any asset allocation program is diversification. The aim in gathering a well diversified portfolio of investments is to reduce your risk while maintaining the overall return.

For example, if you hold just one particular investment, say your company stock, and the company goes bankrupt, you stand to lose everything.

However, if you invest in a large number of stocks, the effect of one of them going bankrupt is unlikely to have such a disastrous effect on your portfolio. It might well be offset by the rise in value of a different stock. In other words, you can reduce your risk by diversifying among different securities.

The big drawback to diversifying on an individual basis is the high cost of gathering the individual securities. Mutual funds effectively take care of this problem.

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When you buy a share in a mutual fund, you are purchasing a piece of a portfolio that already contains a large number of individual securities. You get built-in diversification with a single purchase.

With over 3,300 funds now available, you can find some that suit your temperament. There are even families of funds that allow you to switch your invest-

ment dollars between funds with different objectives. These can include growth, income, tax benefits, safety, or any combination that you wish.

The professional management of the fund also offers certain advantages. Your money is effectively managed by people who devote themselves full time to the task. No matter how talented you are, studying individ-

ual securities is a time-consuming task that demands constant attention. Professional management serves to remove some of that burden from your shoulders.

Mutual funds can make investing simple. The management company will keep track of all your transactions and send you periodic statements. You can switch between funds as your interpretation of the market

shifts or investment objectives change.

Mutual funds are an excellent method of allocating your assets to suit your investing temperament.

Fred Snyder is an investment advisor for UNION EQUITY PARTNERS.



FRED T. SNYDER

## TENTH ANNUAL MINORITY ENTERPRISE DEVELOPMENT WEEK CONFERENCE SET FOR SEPTEMBER IN NATION'S CAPITAL

The national conference for Minority Enterprise Development (MED) Week, the annual event that brings together hundreds of minority entrepreneurs, representative from corporate America, and purchasing officials from federal, state and local governments from across the nation, has been scheduled for September 27 to September 30, 1992 in Washington, D.C.

The theme for this tenth MED Week observance will be focused around the "Challenges, Strength and Growth" of minority business. The conference will be held at the Sheraton Washington Hotel, 2660 Woodley Road, N.W., Washington, D.C. 20008.

As in previous years, the conference will fea-

ture a procurement trade fair, which provides minority vendors an opportunity to market to both the private and public sectors, and a marketplace, which gives minority firms a chance to discuss procurement and other business opportunities with private sector and government agency representatives. Also planned are recognition award ceremonies, seminars and a Congressional reception.

Those seeking additional information should call: Ms. Constance King-Smith, U.S. Department of Commerce, MBDA, at (202) 377-5196 or Mr. Ferguise 'Rick' Mayronne, U.S. Small Business Administration, MSB & COD, at (202) 205-6421.

## BUSINESS START-UPS & EXPANSIONS SOUGHT

Every year, new business start-ups, relocations and expansions within the industrial sector are honored at the Governor's Industry Appreciation Luncheon. Nominations for the 9th annual luncheon, to be held this fall, are now being accepted.

Nominations are sought from, but not limited to, the manufac-

turing, warehousing and distributing, financial, front and back office operation sectors. Businesses may not be in the gaming, tourism or retail sectors, must create a minimum number of new primary jobs, and do some business outside the state.

Submissions are welcome from all sources in the commu-

nity and companies may submit information on their own behalf. Nomination forms are available from the Commission on Economic Development Authority by May 15.

For additional information, contact Helen Myers at the Commission on Economic Development, (702)486-7282.

## Real Estate Perspective

By Loretta A. Hall



## Buyers Beware When Purchasing A Condominium

There's a new condominium project under construction near your apartment. The price and terms are very attractive — you are in a hurry to purchase — slow down and stop a moment to think. There are questions you should ask before buying a condominium. Buying a new condominium can be dangerous. Don't be in such a hurry. I understand that as a renter you feel you are throwing your money down the drain and you are right — you are wasting your money by renting when you can be a proud property owner. However, if the condominium project you are interested in don't sell, you could be one of the few buyers and the developer could own the majority of the unsold condominiums. Most smart mortgage lenders won't close their loans until at least 50 percent to 75 percent of

the condominium units are sold. Meanwhile, many developers allow prospective tenants to move in on a lease with an option to purchase. A lease option can give you an opportunity to try out the condominium before you enter into a legal contract to purchase. Be sure to look at other comparable condominium projects to check their prices and features. Ask the residents what they like the most and least about their condominiums. Also check into the homeowner association's finances, especially the amount of replacement reserves and monthly assessments. Then ask the developer of the new condominium project for a complete written disclosure on the complex, including projected monthly assessment, reserves and anything else you want to know. Check on the developer's reputation by inspecting previous communities he has developed. Most importantly, check the soundproofing of the condominium you are considering buying. Poor soundproofing is the biggest condominium owner complaint. Above all, don't be afraid to walk away if you discover something unfavorable. Consult a knowledge professional for additional information concerning your transaction.

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