BUSINESS

Improving your investing vocabulary can pay dividends

Special to Sentinel-Voice

Personal finance articles and financial professionals often use terminology that many investors don't understand. But to get the most out of your portfolio, it may pay for you to become familiar with some of this terminology and how it may apply to your situation. Improving your investing vocabulary also can help you ask more probing questions of your investment professional. That can lead to more well-informed decisions about your financial future.

Here are a few relevant terms that can help you better assess whether your portfolio is operating in line with your expectations and suited to your investment needs:

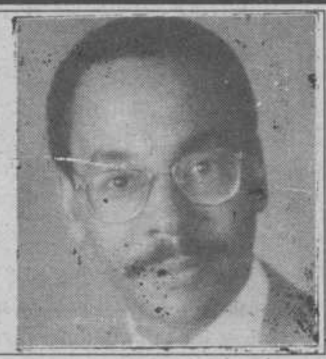
Alpha — An estimate of investment performance adjusted for market risk. Alpha indicates the portion of the portfolio's investment choices rather than the movement of the market. A positive alpha indicates the portfolio's returns that can be attributed to the success of the portfolio's investment choices rather than the movement of the market. A positive alpha indicates the portfolio outperformed the market after adjusting for the portfolio's risk and volatility.

Asset Allocation — The division of your portfolio among stocks, bonds and cash. How your assets are allocated is typically more important than the individual securities selected for your portfolio.

Basis Point — A numerical measure used in quoting

Financial Report

By Fred T. Snyder



performance returns and bond yields. One basis point equals 0.01 percent. For example, a portfolio that outperformed the S&P 500 by 0.7 percent also can be described as outperforming the index by 70 basis points.

Beta — Beta compares the volatility of a portfolio's (or investment's) returns with the returns of market index. The market beta is 1. Therefore, a portfolio beta of 0.80 implies 20 percent less volatility.

Market Capitalization — The company's stock price multiplied by its outstanding shares of common stock determines the company's market capitalization. Market capitalization is often used in selecting investments for a portfolio. Companies with market capitalizations greater than $5 billion are generally considered to be large-cap (large-capitalization) companies. Definitions of small-cap (small-capitalization) companies vary, but the term generally refers to companies with market capitalizations of less than $1 billion.

Total Returns — A calculation of the annual return on an investment, taking into account the price appreciation of the invest-ment plus its dividends or interest.

Turnover — Turnover measures the lesser of purchases or sales dollars divided by average portfolio size. For example, your portfolio holds 30 securities at the beginning of the year. If 15 securities in the portfolio are sold during the year, using the proceeds to purchase new securities, the portfolio would experience a 50 percent annual turnover. Higher turnover portfolios (generally above 100 percent) can lead to more yearly capital gain distributions, resulting in a potentially higher tax bill at the end of the year. But a well-managed portfolio with high turnover doesn't necessarily mean higher taxes at the end of the year.

Boosting your investment vocabulary can pay dividends by allowing you to become a more informed investor as you work with your investment professional as a team to help achieve your financial goals.

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Access Denied? Three steps to obtaining super credit

By James Hart
Special to Sentinel-Voice

First, lawfully freeze all creditors and collection agents by completely stopping them from contacting you or your employer. (If contact persists, you can sue for triple damages under a law very few people know about.)

NEW YORK — No one can afford financial ignorance, the price is too high.

What do billionaires Donald Trump, Bill Bartmann, and multi-millionaire Stephen J. Murphy have in common?

A few years ago they were bankrupt, deep down the throat of financial ruin and their credit (credibility) was shot. Now, they are back packing among the biggest financial sticks in the country. Each can borrow millions of dollars on his signature alone, and their (personal) credit is stronger than ever.

Their secret? They know that any credit problem or concern can knowledgeably be solved.

Leading economists say double-digit interest rates are chiefly responsible for ruining the credit of many consumers.

Moreover, in recent hearings, "The Senate has recognized that the rise in personal bankruptcies is partly the responsibility of the creditor industry," said Harvard law professor Elizabeth Warren.

Yet, creditors insist on nailing consumers to a cross for seven to 10 years.

What's more, we live in an electronic and information age. Creditors, background investigators, employers, and government agencies alike, can pull up anybody's entire financial history within seconds. A disreputable financial past, no matter the reason, can cost someone: a new home, car, thousands of dollars in interest and fees combined, a promotion or new job, insurance coverage, et cetera.

So, how do financial superstars, insiders, or anyone for that matter, successfully penetrate credit circles and use the financial industry to climb back on top of their game?

To begin, ask yourself, "If I had more money, I would..." Your answer will crystallize your vision. Now, reminiscent of the Midas touch, here's how you can knowledgeably, turn a marginal, or negative credit report into financial gold.

First, lawfully freeze all creditors and collection agents by completely stopping them from contacting you or your employer. (If contact persists, you can sue for triple damages under a law very few people know about.) This delay tactic lets you relax, gain peace of mind, save a pile of money and plan more intelligently.

"Control the attack. Do not confront strength but maneuver around it ...." — Edward Luttwak, "The Pentagon and the Art of War."

Second, legally attack, counterattack and contest every unfavorable jot and title on all credit reports. Bankruptcy, judgments, a wage garnishment and late payments can be successfully removed or neutralized. Remember, you want perfect credit.

"Aggressive action is safer... troops that have the initiative, hold the advantage. They force the others to play their game." — Lincoln Andrews, "Tactical Rules."

Third, offer to settle any debts for pennies on the dollar, on the condition, a positive, neutral, or satisfactory credit rating is reported to all credit bureaus as part of the settlement.

"When the strike of a hawk breaks the body of its prey, it is because of timing." — Sun Tzu

Now, if you have the time, go to your local law library and look up: The C.C.R. Act, C.C.P. Act of 1996, and the D.F.C.P. Act. of 1978. These laws and statutes, amongst others, are the legal framework and grounds for successfully using steps one, two, and three and re-establishing super credit.

Otherwise, if you are ready to strike now — with a megaton of knowledge and an insiders edge: get yourself a copy of, "How Attorneys Erase Negative Credit,*" for $29.97, or "How to Ethically and Legally Exploit the Credit Industry for Power and Profit,*" $24.95. The Wall Street Observer reports, and experts say, that these are two of the best three books on the subject.

More than 1,000,000 people have benefited from the information they contain. Both books are packed with forms, laws, sample letters, a Visa card application, and flush with how-to information.

They are written in plain English and are very simple to understand. Contact the Center on Economic Intelligence and Trends bookstore at (213) 427-0020.

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