

# Beat the stock market by dollar cost averaging



## IT'S YOUR MONEY

Paul J. Rocket

People talk about making a "killing in the market" (stock market, that is).

Do you know of anyone who has? Quite frankly, I have yet to meet that person.

True, I've met people who can tell you about the "stocks" they bought that doubled and tripled in value while they held them. And boy, were they excited.

But I usually ask them a question: "Is that the ONLY stock you've bought. And... the answers I get tell the REAL story: "Oh no, I've bought some real dogs."

I'm the first to admit that I know nothing about buying stocks and bonds, and I would be completely lost in that world of wheeling and dealing, and high finance. But I make a lot of money because of the stock market.

I use investment funds, which are simply a pool of money (yours, mine, and thousands of others) which is managed full-time, day by day, by experts, who do know which investments are good, and why. And the fact they have produced past performance results of 15 per cent and 20 per cent compounded per year over the past 10, 15 and 20 year periods, is proof of the pudding.

Yes, there are times they decline in value. In those "averages" are some years with a loss, and some years with gains as high as 40 per cent and 50 per cent. Those are the averages.

But, there is a way to "beat" the market. You will find it mentioned in almost any book you read on how to improve your finances.

It's called "Dollar-Cost-Averaging."

Many people have heard of it, but very, very few understand what it means. Quite simply, it is the investing of equal dollar amounts at regular time intervals - generally monthly.

Did you know that if you invested \$100 monthly in an investment that had a steady market rise that doubled over ten years, that you would be worth \$17,250 at the end of those ten years?

But... if the value went up and down (as the market does) the result would be quite different. Example: Share values in the first year at \$5, second year \$3, third year \$6, fourth year \$4 etc. finally ending up at \$10 in year 10, then your value would be over \$22,000.

That's almost \$5,000 more. Yet the same amount was invested (\$100 monthly equals \$1,200 yearly) and the increase was the same (doubled). By investing regularly, the purchaser was sometimes buying bargains at \$3 and \$4, and this is what gave the "extra gain."

Finally, if the values went down the first five years, from \$5 to \$1 per share, and you invested \$100 monthly, and then the next five years went up regularly to \$5 (the value when you started) you would end up with a value of \$25,455. That's \$8,000 more than a steadily rising market that doubled in ten years.

Dollar cost averaging always beats the market, if you give it time. Are you practising this principle in your savings.

For a free illustration on "Dollar-Cost-Averaging", contact Peter C. Masson, 10 Fagan Drive, Georgetown, Ont., or phone 877-7216.

Paul J. Rocket is the author of the best seller "Why I Invest in Mutual Funds" and President of Regal Capital Planners Ltd.

## Book review

# Anthology is a pleasant word

By ALLAN GOULD

In early 1988, one of Canada's major publishers decided to publish an anthology of recent writing of our finer authors. The result was a highly uneven, generally unsatisfying book. Now, some 18 months later, we are presented with The Second MacMillan Anthology, edited by the same two writers, John Metcalf and Leon Rooke (352 pages, \$16.95, paperback), and it is a pleasure to report a vastly improved, much more valuable collection.

Like a massive Sunday buffet at one of this country's best hotels, it is overflowing with meats (some hot, some cold, some not-so-hot), vegetables (some crisp, some limp and overcooked), and high-caloric desserts (most, as always, looking better than they taste). And like at any good buffet, the eater/reader should take small portions, return often and take breaks between courses.

To begin with the best: Any anthology that boasts of two Alice Munro short stories is like a small museum with two Rembrandts or Van Goghs; suddenly, any journey there is given new meaning, greater value. Like Chekhov, Munro's writing achieves epiphany almost effortlessly. In a seemingly meandering, long tale (Oranges and Apples), one suddenly trips over a line like this: "It was more as if he'd come into a closed-off room or opened a drawer and found that his faith had dried up, turned to a mound of dust in the corner." Her stories are not stories at all, but tiny, intricate novels, and nearly always haunting.

Yet, in a fraction of the space, Carol Shields achieves a similar glory in a brief entry, Good Manners. A middle-aged woman's life is magically captured in a little over five pages, and with stunning effect. Also pleasurable are small sections of two novels, one by Eliza Clark (Heart to Heart), the other by the never-before-writing-in-English Daniel Gagnon (The Marriageable Daughter), in which a pubescent Quebecois girl tries out both her sexuality and her English on an Albertan pal. The latter is particularly impressive.

The poetry in the anthology is much more uneven, but often very good. Don Coles' The Edvard Munch Poems just don't work, as the Canadian poet struggles to get inside the head of the expressionist Norwegian artist. But the equally gimmicky America Poems by J.A. Hamilton, based on an equally uncompromising concept (those silly statistics from Harper's Magazine), lead to occasionally hilarious results. A borderline-obscene example is this stanza from her poem inspired by the "average length of sexual intercourse for humans," which happens to be two minutes: "This is the two minute/drill. I am the wide/receiver, tight and for/his short yardage./No time for a huddle." What a scream!

Patricia Young has a remarkable piece of verse, The Mad and Beautiful Mothers, which concludes:

"It is late August/and our mothers are in the kitchen/pickling: beets and cucumbers./Like fiends they are pickling/silver-skinned onions/and anything else/that gets in their way." The poems by Al Purdy and Paulette Jiles are not as successful, but often quite daring in both style and substance.

The above works are, by and large, assessable and potentially of great enjoyment to the average "lay" reader. Yet, this MacMillan Anthology has an importance that moves into the realm of the serious student of Canadian literature. This can be seen in large chunks of the book, ranging from an essay on the previous year's published writing by Smaro Kamboureli to major works by two of this country's most important writers, Louis Dudek and Al Purdy.

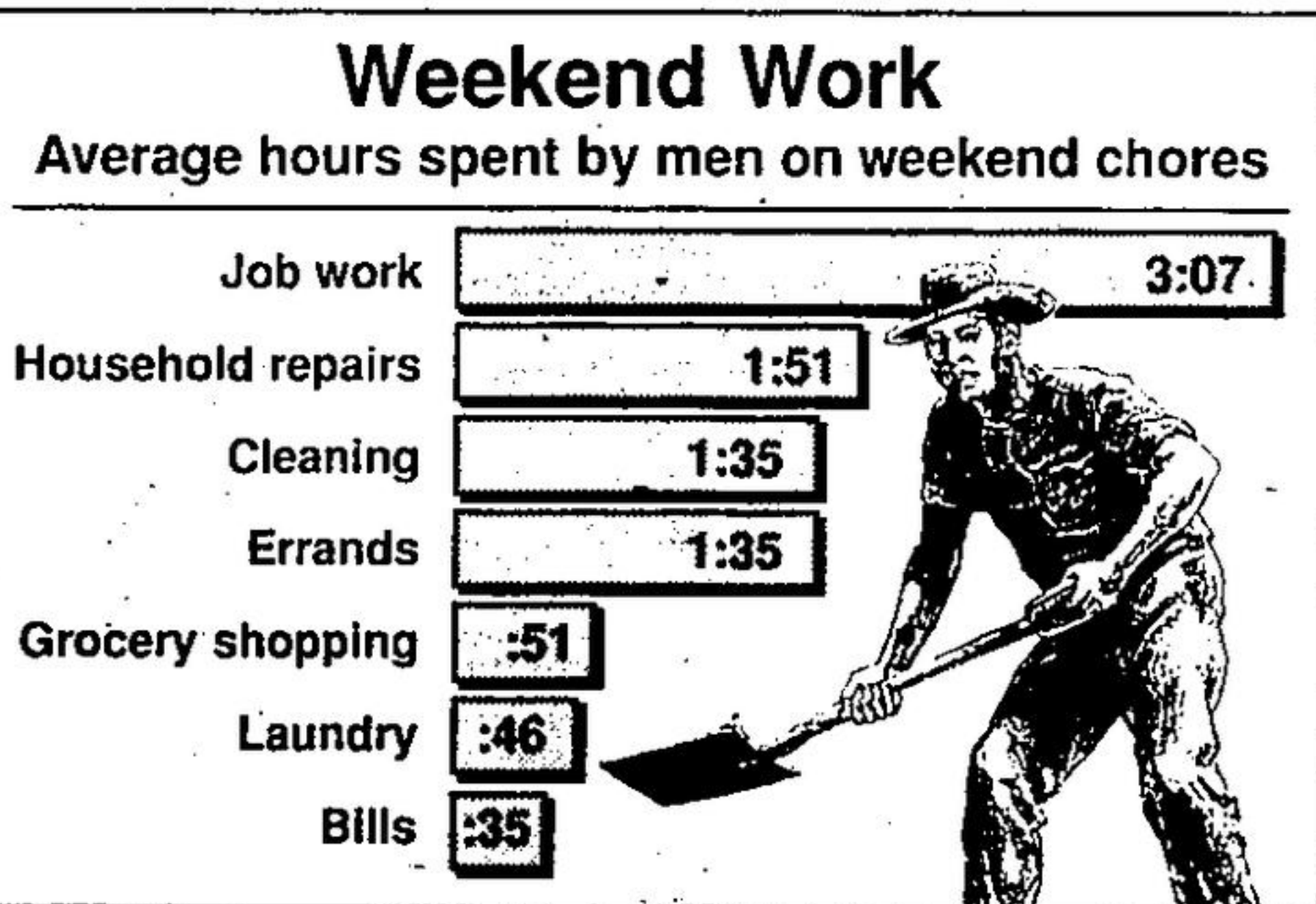
Dudek's is an essay, Reflections on Failure, that I found surprisingly facile, although it does declare what most serious writers in this country know in their innermost guts: "But the life of the Canadian writer is one of a perpetual and deep-rooted sense of failure. It has to be. And only those who do not face up to the truth of their inner life will deny this; only those who are ignorant of their essential misery will pretend that they are

thoroughly happy." Of far greater interest is poet Al Purdy's memoirs, The Bad Times, which cover nearly 40 pages and several decades of his struggling youth. For the lover of Canadian literature, it is irresistible to read this description of the young Irving Layton: "He seemed to hypnotize himself with his own voice, feeding on echoes of his own opinions. But warm, with a feeling for other people. And the warmth made the phoniness bearable."

Yet, the best thing in this reasonably priced potpourri of poems, short stories, novels-in-progress and essays is the 100-plus pages of critics "on Canadian writing" today, as well as "Statements on their craft by 37 writers." It is fascinating to read agent-turned-publisher David Colbert on how, in a list of The Ten Best Canadian Books made in 1972, there was but one woman and no non-whites.

Indeed. And this anthology, far more than the first one, is an invaluable addition to the library of any serious - and even playful - follower of the state of writing in Canada in the dying months of this decade.

-Allan Gould is a Toronto-based journalist and author of 13 books. His latest is the co-authored Child Finder, about Canada's greatest tracker of missing children, published by Prentice Hall this month.



When men do work during the weekend, it tends to be related to their jobs. In fact, they spend an hour to an hour-and-a-half more on job-related work than they do on home repairs, cleaning or errands.

**Open Sundays**

**DELREX SMOKE SHOP LTD.**

St. Clair Ice Cream Cones

GEORGETOWN MARKET PLACE  
Lottery Agent - 877-9284

Variety Post Office

**target** food stores

**OPEN 24 HOURS - 7 DAYS**

**V.H.S. MOVIE RENTALS**

51 Guelph St. GEORGETOWN

**REEZER RENZY**

Buy A Lb. or Buy A Box

**853-0101**

5 MILL ST., ACTON, ONTARIO

**These Stores Have The Convenient Hours To Serve You!**

**STEAK EXPRESS**

BOXED MEATS  
FROZEN FOOD  
ASSORTED PARTY ITEMS

877-0721

**GEORGETOWN**  
AT DELREX & GUELPH ST.

Tues.-Wed. 10 a.m.-8 p.m.  
Thurs.-Fri. 11 a.m.-8 p.m.  
Saturday 9 a.m.-6 p.m.  
NOW OPEN SUNDAYS 12 Noon-4:00 p.m.

First Specialty Frozen Food Store in Georgetown

**Miller's BAKERY**

**British Bakers**

**QUICK LUNCH!**  
Cornish Pasties \$1.15

877-0596

OPEN: Sunday 10:00-5:00  
Mon.-Sat. 9:00-6:00

330 Guelph St. Georgetown

Across from Neilson's

**Century 21**

THE LARGEST REAL ESTATE ORGANIZATION IN THE WORLD.

**Realty of Distinction Inc., Realtor**

If your property is currently listed with a real estate broker, please disregard this offer. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

## ARE YOU SITTING ON A GOLD MINE?

If you're considering listing your home or just want to know what it's really worth, now's the time to call your CENTURY 21 neighbourhood professional

for a complimentary, no-obligation market analysis.

Call **RAMSAY BARR** at 873-1881 for Free written evaluation of your home.

**RAMSAY BARR**  
Sales Representative

**BUSINESS: 873-1881**  
**RESIDENCE: 873-0724**