

# When investing, consult money managers

By PAUL J. ROCKEL  
Herald Special

Do you buy stocks?  
I love asking people that question. I've found that about 90 per cent of people do not buy stocks, and possibly 10 per cent do.  
For those that do, I have another question. I've asked it of several hundred people. It goes:

"If you buy stocks, can you name at least five things that you should know before investing in that stock?"

I was absolutely amazed at the answers. Virtually everyone openly admitted that they could not name five things they should know. A few attempted, and some

succeeded in naming five things, but they had to do a great deal of thinking to come up with those five things.

Then I had another question for those who tried to name things they should know: "Do you consider those factors every time you invest?" Again I was shocked. Those "investors" virtually



**IT'S YOUR MONEY**  
Paul J. Rockel

averaged 18.0 per cent return over the last 15 years to July 31, 1991.

A friend of mine sat down a couple of years ago with a steel company executive, and they went over all his transactions of buying and selling stocks for a 25 year period. The executive was astounded to find that his total gain in playing with those thousands of dollars for all those years was less than \$1,000. He thought he had made a fortune. He could spout off all the investments that had doubled, tripled, and even quadrupled and more while he owned them. But he had conveniently forgotten the many investments that had gone down in value and that he had sold at a loss. One person made a lot of money out of those trades, and that was his broker. He had made less than \$100 in those 25 years.

Over the same 25 year period managers like John Templeton were buying and selling stocks also. The difference is that the steel company executive probably spent 50 or 60 hours per week devoted to the business of his company, and maybe a couple of hours a week studying his investments, while professional money managers like John Templeton spent the same amount of time studying where best to invest shareholders savings.

For free charts showing the long term record of a couple of mutual funds, contact Peter C. Masson, 10 Fagan Drive, Georgetown, Ont. or phone 877-7216.

Paul J. Rockel is the author of the best seller "Why I Invest in Mutual Funds" and President of Regal Capital Planners Limited, a 24 year old financial planning company with offices from coast to coast in Canada.

all replied "no way". So my final question was: "Why do you buy certain stocks?" and the answer received from almost 100 per cent was; "because by broker recommended it."

That's investing?  
John Templeton, considered by many as one of the top money managers in the world, told me several years ago that there are over 100 criteria that can be used to assess a stock. He has a basic 20 to 30 that must be met before he will consider making an investment in the shares of a company.

Now, that's what I call investing.

John Templeton manages a mutual fund. There are many, many different mutual funds, but all employ people like John Templeton to manage their portfolios. The question that faces you and I, as savers is: do we attempt to "invest" on our own, or turn our savings over to be managed by the John Templetons of this world.

We believe the answer is obvious.

Another question I love to ask people is: "have you averaged 15 per cent per year gain over the past 15 years?" Not one person that I have asked has said "yes". But I have, and so has every person who invested in Templeton Growth Fund (one of over 500 mutual funds available in Canada) 15 years ago and left their investment there. The Templeton growth fund has

## Credit counselling is available

Consumers who wonder why they've been rejected for a loan or charge-card can often find some answers at credit-recording agencies or bureaus.

Credit bureaus play an important role in Ontario's economy, but they must abide by the rules of the Consumer Reporting Act, administered by Ontario's Consumer Ministry.

Everyone who uses credit should understand how these agencies operate and what their rights are.

Credit-reporting agencies are private institutions that keep credit records - the history of how well consumers handle credit. They provide information to credit-granting firms such as retail stores and banks.

Along with lists of debts and credit payments, these records contain information about how promptly people pay their bills and such things as writs, judgements and bankruptcies. Except in cases of multiple bankruptcies, some credit information of a negative nature can't be included in a consumer report after seven years.

Credit Bureaus report only factual credit-related information. They have been in existence in Canada for more than 60 years. Since the late 1970s, most repor-

ting has been done by computer.

In Ontario, access to credit records is strictly controlled by legislation. In general, firms may only ask for a person's credit report if the consumer has applied for credit, or for information to help with debt collection, tenancy agreements, employment or insurance purposes. Pre-screening consumers' reports without their consent, to see if they might be eligible for credit, is against the law.

Every time a consumer's file is opened, an electronic note naming the viewer is recorded in that file. This helps protect consumers' privacy. Under provincial legislation, it's illegal for anyone to look at a credit report without an acceptable reason.

Consumers wanting details of their files can receive information by telephone if they have made written reports in advance, and have sufficient identification. To examine their reports consumers can personally visit a bureau, where it normally takes about 20 minutes to review a file.

It's possible for consumers to improve a bad credit record by working with creditors and improving payment habits.

Consumers who face more debts than they can handle often say they ignored the warning

signs of serious credit problems. Anyone receiving regular overdue notices from creditors, buying on credit what they used to pay for in cash, or refinancing old debts to gain more time to pay should consider contacting a credit-counselling service for help.

Assistance is offered free of charge by member agencies of the Ontario Association of Credit Counselling Services. Information on association services is available from the Credit Counselling Service of Metropolitan Toronto, at (416) 593-7434 or toll free at 1-800-263-0260.

Local credit bureaus are usually listed under "credit bureau" in the telephone directory white pages.

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**PUBLIC INFORMATION CENTRE**

WATERMAIN EXTENSION TO THE COMMUNITY OF GLEN WILLIAMS, TOWN OF HALTON HILLS, GEORGETOWN.  
REVIEW OF PRELIMINARY DESIGN

A Public Information Centre will be held:  
DATE: Thursday, August 15, 1991  
TIME: 3:00 p.m.-5:00 p.m.  
7:00 p.m.-9:00 p.m.  
PLACE: Glen Williams Town Hall,  
1 Prince Street,  
Glen Williams

This Information Centre is being held to provide the public with an opportunity to review the preliminary design drawings for the proposed watermain extension.  
Interested persons are invited to drop in any time during the above hours to view and comment on the proposed works. Regional staff and Consultant will be available to answer your questions.

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