

# INVEST SMART

## Are Mutual Funds Right For You?

by John Addison

(NAPSA)—From Wall Street whiz kids to your neighbor's nephew, we live in a time when it seems everyone has a can't-miss investment tip.

Unfortunately, it's not uncommon for today's tip in tech stocks to become tomorrow's financial tragedy.



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One way to avoid the problems that can come with chasing the next "sure thing" is to use the same approach to investing that large institutions, such as universities or hospitals do—mutual funds.

Investing through a mutual fund can offer an individual investor a number of significant benefits.

- Professional asset management. Few people have the time, training or temperament to manage their own investments. A mutual fund can offer the guidance of a full-time professional who is responsible for monitoring the fund and deciding when to buy, sell or switch securities in a way that maintains the fund's investment objectives.

- Diversification. Investing all of your money in one or two stocks can be risky. Investing in a mutual fund can reduce this kind of risk by investing in a variety of companies or industries. Some funds place a self-imposed limit of five percent on the percentage of the fund's assets that can be invested in any one security.

- Liquidity. One of the more significant benefits offered by mutual funds is liquidity—the

ability to quickly convert your investment to cash.

This is much different from fixed income products, such as CDs, which can tie up an investor's funds for years.

- Tax reporting. A fund will track and inform you of your income and capital gains tax obligations.

- A choice of objective. Whatever your temperament and financial goals, there is probably a mutual fund for you. Whether you are looking for a stable fund that will provide a steady stream of income or an international equity fund that offers higher risks and the potential of higher returns, there is a fund that will meet your needs.

- Retirement friendly. Since both IRAs and mutual funds focus on long term objectives, many investors deposit one or more funds in their IRA or 401(k) account. As of 2000, mutual funds accounted for 46 percent of the \$2.7 trillion IRA market.

Professional management, liquidity, diversification and the opportunity for returns in excess of ten percent. With benefits such as these, who needs the next "sure thing?"

The financial experts at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of *How Money Works: Secrets To Financial Success*, write to Primerica, 3120 Breckenridge Blvd., Duluth, GA 30009, ATT: Corporate Relations, or call 770-564-6329.

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