

# BUY SELL HOLD

EXPERT ADVICE ON FUNDS

## Dollar-Cost Averaging

**Q.** I'm 61 and retired. For several years, I have been dollar-cost averaging into the **Janus Fund**, **Morgan Stanley American Opportunities**, and **Alliance Premium Growth**. Janus is a no-load fund, and the other two are load funds. Does it pay to dollar-cost average with a load fund, or should I stick to no-loads?

—CAROLE KEHRIG Orleans, California

**A.** It makes no difference, says Wayne von Borstel, a planner in The Dalles, Oregon. Dollar-cost averaging can help you regardless of whether you invest in load or no-load funds. “Dollar-cost averaging makes sense to help minimize our emotional tendency to invest at the wrong times,” says von Borstel. What is dollar-cost averaging? It’s investing the same amount of money every month (or quarter, or year) in a fund, thereby allowing you to buy more shares when prices are low (the right times) and fewer when they are high (the wrong times). “If you feel you’re getting good advice from an advisor who is compensated by a load fund,” adds von Borstel, “then paying the load is probably worthwhile.” Keep in mind that shares with front-end loads tend to cost less in the long run than shares with back-end loads.

### THE EXPERT

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Von Borstel also recommends that you give some thought to your fund mix, because the funds you own might be too aggressive at this stage of your life. “Each of your funds is a large-cap fund,” he says. “Bonds, small caps, and international stocks are under-represented.” To reduce the risk in your portfolio, von Borstel recommends buying **Dodge & Cox Income** (800-621-3979, no load, 0.46% expense ratio), which owns government and high-quality corporate bonds; **Westport Small Cap**, a “growth plus value” small-company stock fund (888-593-7878, no load, 1.27% expense ratio); and **Nations International Value** (800-321-7854, 6.1% load, 1.49% expense ratio), a top-performing international stock fund.

### WRITE!

#### YOUR FUND QUESTIONS ANSWERED

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