PERSONAL FINANCE

THE WEEK AHEAD Time to take stock of GM?

BY TOM HUDSON Nightly Business Report

Do you want to own a piece of American history? Should you own a piece of what may be America's future? More plainly, will you be buying stock in the slimmer, trimmer and profitable General Motors when it goes public this week?

It is rare for a U.S. automaker to go public.



it's not that rare judged by this year's activity. In late June electric car maker

OK, maybe

Tesla sold stock to the public for the first time. Since then, Tesla shares are up 23 percent.

General Motors is a much different story. The stock sale comes after 40 days in bankruptcy reorganization and a bailout by the U.S. taxpayers. GM is a smaller company now compared to the last time it had a publicly traded stock. The Pontiac, Saturn, Saab and Hummer brands have either been left for dead or sold. It has 40 percent fewer dealers.

This new generation of GM seems to have more incentive discipline than a few years ago. During the easy credit days of 2004 and 2005, making cars seemed secondary at GM (along with many of the other automakers) to securing the financing. Zero percent financing and big rebates caused GM to fail as much as the souring economy did. Financial engineering was more valuable than mechanical engineering.

GM is an iconic American brand. But it's not an entirely American company. Two-thirds of its auto and truck sales come from outside the U.S. European sales are weak and Asia is growing in competition. That may be America's future as much as it is GM's.

Tom Hudson is anchor of Nightly Business Report, produced by NBR Worldwide and distributed nationally by PBS. In South Florida, the show is broadcast at 7 p.m. weekdays on Channel 2.

INVESTING

Finding safer alternatives

• INVESTING, FROM 1C

strategy to work can be a bit of a chal- crude oil, Japanese debt or foreign lenge. That's because effective diversifi- exchange relationships. Therefore, mancation involves more than looking at a aged futures offer the benefit of expomenu of asset choices and picking two or sure to these markets at a certain level. three that sound appealing.

stock and bond prices plummeted.

called alternative investments — that aged futures. may rise in value, or may at least hold their own, when Wall Street takes a tum- when the S&P 500 Index has fallen by 10 ble. These include private equity funds, hedge funds, commodities and managed futures. Therefore, including some alterindex, produced positive returns. In native investments in qualified investors' portfolios may help reduce volatility.

effective way to balance a portfolio.

Let's take a closer look at managed future performance. futures as an investment class, which has sought a way to reduce the price swings advance for a specific commodity.

ment strategy became more apparent, tional investments such as stocks and the concept of the futures contract was bonds and that they can be an effective extended to the foreign exchange and interest rate markets in the 1970s and '80s. Since then, the future markets have continued to grow and play an important they are not suited for everyone and do role for many investors.

Today, a managed futures fund is guided by a manager called a commodity types of alternatives to stock and bonds. trading advisor (CTA) who can follow different strategies in six major market als and stock indices.

This can be a benefit to suitable inves- sity of Miami.

tors, who have little opportunity to participate directly in these markets, such as

Underlying futures markets can be The key to successful diversification driven by different factors than those is understanding which assets typically influencing stock and bond prices. That rise and fall in value at the same time — a alone may reduce the correlation. In concept called correlation. For instance, addition, the CTAs can make potentially at times, U.S. and international stocks profitable investment decisions regardcan be highly correlated, producing both less of whether the markets are moving positive and negative returns at the same up or down. So even when Wall Street is time. That was certainly the case in the having a bad year, managed futures may 2008 financial meltdown, when both still show a positive return. On the other hand a good year for stocks and bonds But there are other assets — often can result in negative returns for man-

Since 1980, there have been six times percent or more. In each case, managed futures, as measured by the Barclay CTA 2008, for instance, managed futures were up 14.4 percent while the S&P was down A number of market studies indicate 36 percent. Of course, it is important to that managed futures may provide an remember that past performance is not a guarantee or prediction of comparable

For an investor, managed futures deep roots in American history. Decades holdings might be somewhere between 3 ago, farmers, ranchers and bankers and 10 percent of the overall portfolio. Historically, that has been shown to in the agricultural markets. The result improve both the overall portfolio diverwas the concept of a futures contract, sification and the overall risk-adjusted which set a certain delivery price in return. So we know that managed futures have benefits such as historically low As the advantages of this risk manage- correlated performance relative to tradidiversifier when combined in a portfolio with other types of investments.

It's important to know, however, that

In our next column, we'll look at other

Andrew Menachem, CIMA, CWS is a sectors: agricultural products, curren- wealth advisor at the Menachem Group at cies, energies, interest rates, major met- Morgan Stanley Smith Barney in Miami and Aventura and teaches at the UniverTHE COLOR OF MONEY

Student loans teach a hard lesson in life

MiamiHerald.com/Business | THE MIAMI HERALD

Tick tock. Tick tock. That's the sound recent college graduates are hearing as they near the day of reckoning. The typical six-month grace period on student loans is about to end.

Then wham! — as they face the reality of what it costs to get an education.

For years, I've written, talked and generally fussed about the way people handle their money. Yet it never — and I



amaze me how people borrow money with so lit-

tle understanding about how much they owe and how long it will take to pay it back. And the worst are borrowers who take loans for college.

So what should you do if your grace period is coming to an end this month? Here are some suggestions from the Project on Student Debt, an initiative of the Institute for College Access & Success, a nonprofit independent research and policy organization. You can more tips at http:// bit.ly/avNe7V:

 Know what you owe. "Don't bury your head in the sand," says Lauren Asher, the institute's president. "Dealing with the debt head-on gives you the most options. If you've got federal student loans, you really do have choices in how to deal with it. But if you ignore it, you have fewer choices.'

To find out your loan terms, go to the source your lender or lenders. You can also find details of your student loans, including balances, by going to the National Student Loan Data System, which is the U.S. Department of Education's central database for student aid. The website is www.nslds.ed.gov.

 Know when you owe. A grace period is how long after leaving school before you have to make your first payment. It kicks in after you graduate, leave school or drop below half-time enrollment. But the amount of grace you get varies. For Stafford loans, it is six months, nine months for

Perkins loans. If you don't know your grace period, you could end up in default. This is not a great position to put yourself in because it could affect your ability to apply for other options.

• Let your lender know where you are. I get complaints from borrowers who are in default because they say their loan statements were mailed to an old or incorrect address. But it often turns out the person didn't forward new contact information. Or maybe he or she did inform the lender, but a month or two or three goes by and nothing comes in the mail. Come on. You know you owe this money — every month. If you don't hear from the lender, then call, e-mail, text or tweet.

• Find the right repayment option: One of the best is the relatively new Income-Based Repayment program, or IBR. This option, which is not available for private student loans, is intended to set a reasonable monthly payment based on a borrower's income and family size. Under IBR, after 25 years of qualifying payments, your remaining debt, including interest, will be forgiven. New federal loans taken out by new borrowers in 2014 and later are forgiven after 20 years, Asher said. For public service workers – teachers, nurses and those in military service — the debt is forgiven after 10 years. To get more details, go to www.IBRinfo.org.

About this time of year, I begin to get e-mails from panicky borrowers. Their cries of desperation go something like: "My income isn't enough to cover rent, transportation and my other bills, plus my student loans," or "What should I do?"

My answer is sadly the same: There is no magic solution. You've got to pay the debt. Somehow. The tips from the Project on Student Debt will help

with the somehow. Hear Michelle Singletary's personal finance reports on www.npr.org. Readers may write to her c/o The Washington Post, 1150 15th St., NW, Wash-

ington DC 20081.

STOCK NEWS

Increased Dividends
[Quarterly unless noted]
Adams Rescs & Engy .54A from .50A
AmeriSource Bergen .10 from .08
Automatic Data Proc .36 from .34
Baxter Intl .31 from .29
Buckeye GP LP .47 from .45
Cinemark Hldgs .21 from .18
DeVry Inc .125 from .10S
EMC Insurance .19 from .18
Equifax Inc .16 from .04
Estee Lauder .75A from .55A
Excel Trust .12 from .08
Intel Corp .18 from .1575
Keynote Systems .06 from .05 Keynote Systems .06 from .05 Lexington RIty Tr .115 from .10 MDU Resources .1625 from .1575 Meadowbrook Ins Grp .04 from .03 Mesa Labs .12 from .11 Pan Amer Silver .025Q from .025S Prudential Financial 1.15A from .70A Rockville Financial .065 from .06 Sanders Morris Harris .05 from .045 StanCorp Financial .86A from .80A Telus Corp g .525 from .50 Timken Co .18 from .13 Vectren Corp .345 from .34 Wendys/Arbys .02 from .015 Weyco Group .16 from .15 g- Canadian funds Extra or Special Dividends Haverty Furniture .07 Haverty Furniture A .065 Knight Transportation .75 Medtox Scientific \$1.25 Nelnet Inc .49

Southside Bancshares .17

Initiated Cash Dividends

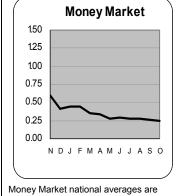
Stein Mart Inc. 50

Navios Maritime Acq .05Q Resumed Dividend Escalade Inc .10 Liquidating Dividend
Williams Coal Seam Gas \$2.3814
Declared Stock Dividend
Landmark Bancorp 5pc
Declared Stock Splits
Ligand Pharmaceutical 1 for 6 rev Magna International 2 for 1 Stock Splits This Week Geeknet Inc 1 for 10 reverse Gushan Environ Engy 1-5 rev Jacada Ltd 1 for 4 reverse Kemet Corp 1 for 3 reverse OptimumBank Hldgs 1 for 4 reverse Annual Earnings Higher GAAP fully diluted Conexant Systems .27 vs (.38) Penford Corp .57 vs (5.80) Pricesmart Inc 1.65 vs 1.43 Tyco Intl Ltd 2.32 vs (3.80) Zep Inc .61 vs .42 Annual Earnings Lower (Losses) Amcon Distributing 11.99 vs 16.61 Ambac Financial Group Inc Ambac Financial Group inc
Emerged from chapter 11
Chemtura Corp
General Growth Properties
Called for Redemption
Delphi Financial Group 8pc notes due 5-15-2033 Dec. 23 Huntsman Intl LLC 7.875pc niotes due Mack-Cali Realty LP 7.75pc notes due 2-15-2011 Dec. 15 Markwest Energy 6.875pc notes due 11-1-2014 Dec. 8 MetroPCS Wireless 9.25pc notes due 11-1-2014 Nov. 18

Dec. 2
Unisys Corp 8.5pc notes due 10-15-2015
Dec. 8
Acquisitions and Mergers
Minimum value \$100 million
Amazon.com - Quidsi Inc (\$500M)
Ametek Inc - Atlas Material Testing Technology LLC (\$159M) Chevron - Atlas Energy (\$3.2B) Harris Corp - Schlumberger GCS (\$347.5M) New Stock Listings mtura Corp General Growth Properties new Howard Hughes Corp Inphi Corp SemGroup Corp Stanley Black&Decker cv pf NASDAQ Global and Global Select Markets Sabra Healthcare REIT wi UniTek Global Services Inc Stocks Removed from Trading Ambac Financial Group Inc General Growth Properties old Inergy Holdings LP Mariner Energy Inc Neteeza Corp PS Business Parks pfL NYSE AMEX Equities NASDAQ Global and Global Select Markets Comarco Inc (to Capital Market) GenVec Inc (to Capital Market) Corporate Name Changes American Dairy Inc to Feihe International

Teco Finance Inc 7pc notes due 5-1-2012

SOUTH FLORIDA CONSUMER FINANCE GUIDE



based on federally insured accounts requiring a min. deposit of \$5,000 or less Money Market Accounts Last Week This Week

0.32

0.24

0.33

\$10,000+/-\$25,000+/-0.40 0.40 \$50,000+/ **CD Rates** 1.75 1.50 1.25 1.00 0.75 0.50

0.25

0.00

CD national averages are based on

federally insured accounts requiring a \$10,000 min. deposit or less for term. Certificates of Deposit Last Week 0.48 0.49 12 Mo 0.75 0.75 24 Mo 36 Mo 1.38 1.38

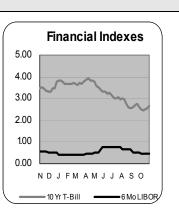
Money Market 3 Mo 6 Mo 12 Mo 24 Mo 36 Mo Company Min/APY Min/APY Min/APY Min/APY Min/APY Min/APY 1st National Bank of S. FL 2 500 1.000 We are a full-service bank serving the 0.20 0.25 0.60 0.90 1.33 1.43 2.03 South Florida community www.1stnatbank.com Chase 1,000 100 0.05 1.000 1.000 Contact us to learn more about our 800-788-7000 0.15 0.25 0.25 0.50 1.49 1.00 relationship rates. www.chase.com CD rates apply to CDs opened online or 100 500 500 500 500 500 500 by calling 800-374-9500. Visit us online 800-374-9500 0.20 0.30 0.50 0.60 1.01 1.25 for many more products & specials. www.citibank.com 1,000 1,000 1,000 1,000 1,000 1.000 We have more than 150 years of 800-266-3742 0.10 0.10 0.20 0.20 0.40 0.65 1.25 experience. Please contact us today www.comerica.com First Century Bank, N.A. 800-332-8231 Our mission is to create a banking Call Call Call Call Call Call Call environment that will constantly deliver www.myfirstcenturybank.com quality personal service to you. Grand B&T of Florida 2,500 1,000 1,000 1,000 1,000 Visit one of several convenient 561-615-5000 0.10 0.50 0.75 1.10 1.45 1.75 2.00 locations for all of your banking needs www.grandbankflorida.com HSBC Bank USA, NA Visit our website to choose from a 1,000 1,000 1,000 1,000 1,000 800-975-HSBC N/A broad selection of products tailored to 0.10 0.05 0.10 0.70 0.40 0.40 your needs and budget International Financial Bk Ask for "Choice" Checking with no 3.500 2,500 2.500 2,500 2.500 2.500 2 500 0.18 0.40 1.00 1.35 0.55 1.80 2.50 www.ifbbank.com requirements apply. Member FDIC. **Optimum Bank** 5.000 1,000 1.000 1,000 1,000 1,000 1.000 Visit our website to learn more about 0.50 0.50 0.75 1.050 1.30 1.60 1.90 our checking and savings products. www.optimumbank.com Call us or go online to get more information about our products and 561-204-2400 Call Call Call Call Call Call Call www.sterlingbankfl.com

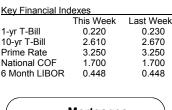
VISIT http://miami-financial-rates.infotrak.com for much more. . .

Current Rates Financial Calculators Tips and Advice

All rates are believed to be accurate but cannot be guaranteed. Rates are subject to change without notice and certain restrictions may apply. Contact each company for details. Companies may pay a fee to be in this Guide. APY = annual percentage yield; N/A = not available; P = prime rate; K = thousand; Min = minimum; Mo = month; Money Market accounts and Certificates of Deposit should be rederally insured unless otherwise noted.

To be in this guide, please call 781-276-1711







Based on \$175,000 loan for single family home with 20% down, and 0 point origination and discount fees

National Average Mortgage Loan Rates		
-	This Week	Last Wee
30-yr Fxd Conf	4.398	4.398
15-yr Fxd Conf	3.869	3.931
30-yr Fxd Jumbo	4.825	4.825
5/1 ARM Conf	3.238	3.273

CYAN MAGENTA YELLOW BLACK

(BLACKITA)