

30
years

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What the **New
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Bottom Line

PERSONAL

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HEARD BY OUR EDITORS

Taking osteoporosis drugs may cause brittle bones, warns Joseph Lane, MD. Bisphosphonates such as Actonel, Boniva, Fosamax and Reclast can lead to deterioration in bone quality and increased hip fractures. The drugs are extremely effective in the first years of use. But after four or five years, if bone density is no longer improving, talk to your doctor about taking a "drug holiday" from bisphosphonates.

Joseph Lane, MD, is chief of Metabolic Bone Disease Service, Hospital for Special Surgery, New York City, and leader of a study of women and long-term bisphosphonate use.

Investment opportunity: Merger and acquisition targets, according to research analyst David Finch. Since his investment firm Exane BNP Paribas introduced its list of potential M&A targets in October 2005, 35% of the companies on the list have become subjects of mergers or acquisitions. And the stocks have beaten the Euro Stoxx 50 Index by 25 percentage points, on average. *Stocks on the current target list include:* Autonomy Corp. PLC (AUTNF)...Puma AG Rudolf Dassler Sport (PMMAF)...Qiagen NV (QGEN)...Royal KPN NV (KKPNY)...and Tele2 AB (TLTZF).

David Finch is the London-based head of cross-sector research at Exane BNP Paribas. www.Exane.com

New gum disease treatment, reports Alan Winter, DDS. *Laser Assisted New Attachment Procedure (LANAP)* regenerates lost periodontal tissue. It uses a special laser called *PerioLase* to remove harmful bacteria and diseased tissue from gums—in effect, sterilizing the infected area and tooth root and allowing lost tissue to be restored. To find a dentist who performs LANAP, go to www.MillenniumDental.com or call 888-495-2737. Cost and insurance coverage vary.

Alan Winter, DDS, is a periodontist in private practice, Park Avenue Periodontal Associates, New York City. www.ParkAveLaserPerio.com



Top Personal
Finance Expert
**JANE BRYANT
QUINN**

Why Buying Bonds Is Bad And Other Mistakes Investors Are Making Now

For four decades, Jane Bryant Quinn has guided millions of investors, consumers, savers and borrowers with useful financial advice by way of magazine and newspaper columns, best-selling books and Emmy Award-winning television appearances.

Over that period, she has been struck as much by what people tend to do wrong as by what they do right—and by how costly those mistakes can be.

Bottom Line/Personal asked Quinn for advice to help readers maneuver the perils of today's shaky economy and turbulent markets. Be wary of the following common blunders, she advises...

TAX-DEFERRED VARIABLE ANNUITIES

Many investors are drawn to anything that promises guaranteed income and lower tax bills—an attraction that is likely to increase as talk of future tax hikes intensifies. Unfortunately, the tax savings offered by variable annuities are not as substantial as brokers often make them out to be.

Money in an annuity compounds tax-deferred, but there is no tax deduction for the money you put in. Investment profits (including capital gains) are

taxed as ordinary income when withdrawn—and annuities impose high fees. Investors often pay commissions of 5% to 8% and annual fees of 2% or more. If the annuity comes with guaranteed income or withdrawal benefits, fees can run to 3.5% or more.

You might have to hold an annuity for at least 18 years just to make up for taxes and other costs. Big commissions, not tax savings, are the main reason brokers push clients into annuities.

Possible exceptions: An annuity might be a reasonable option for people who don't expect to need this money for at least 30 years and who have already fully funded their 401(k)s and IRAs. After all, annuities did protect many investors during market crashes over the past decade.

If you are retired, you might instead consider immediate-payout annuities—which offer fixed-rate ▶

Bottom Line/Personal interviewed financial writer Jane Bryant Quinn, who has been a columnist for *The Washington Post*, *Newsweek* and *Bloomberg.com*. She cohosted the series *Beyond Wall Street* on PBS. She is author of *Making the Most of Your Money Now* (Simon & Schuster), which was named the best personal finance book by Consumers Union and has been updated for the new decade. <http://JaneBryantQuinn.com>

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