

# THE BENEFITS OF DOLLAR COST AVERAGING



Dollar cost averaging is a strategy in which you invest a fixed amount of money at regular intervals. This helps ensure that you buy more shares of an investment when prices are low and less when they are high. And by investing on a set schedule, you avoid the difficult or even impossible task of trying to figure out the exact best time to invest.

In the hypothetical example below, the investor used a dollar cost averaging approach, making regular investments of \$100 each month. When the share prices were higher, the investor bought fewer shares. And when the share prices were lower, the investor bought more shares.

As a result, the investor's average cost per share was lower than the average market price over the same period. Of course, while there can be no assurance that any investment strategy will prevent losses, dollar cost averaging may mitigate the risk of investing at an inopportune time.

## DOLLAR COST AVERAGING STRATEGY

Month Purchased	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Cost	Average Cost Per Share <sup>†</sup> \$19.39
Share Price	\$25	\$25	\$20	\$20	\$18	\$16	\$15	\$15	\$17	\$20	\$25	\$27	\$243*	
Investment Amount	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	
Shares Purchased	4	4	5	5	5.6	6.3	6.7	6.7	5.9	5	4	3.7	61.9	

Hypothetical example assuming fractional shares may be purchased. Does not represent any particular investment. No investment is risk free, and a systematic investment plan does not ensure profits or protect against loss in declining markets. Because dollar cost averaging involves continuous investment in securities regardless of fluctuating price levels, you should carefully consider your ability to continue to purchase during periods of price declines.

\* Average market price per share for 12-month period = \$20.25 (\$243/12 months). † Total investment amount (\$1,200) divided by total number of shares purchased (61.9 shares).

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