

Dollar cost averaging

A disciplined approach to long-term investing

Is this strategy right for you?

Dollar cost averaging is designed for investors who:

- Seek a plan to help deal with market fluctuations.
- Do not wish to invest all their money at one time.
- Can continue the program through both rising and falling markets without selling all or part of the assets.

Dollar cost averaging is a systematic approach to investing. It is a strategy that overlooks day-to-day market fluctuations and acknowledges the difficulty in pinpointing the best time to invest. Instead, a fixed dollar amount is invested regularly over a period of time. While it does not guarantee a profit or protect from a loss, it simply focuses on asset accumulation and avoids guesswork.

Market fluctuations can make it difficult to determine the best time to invest. A widely accepted investment strategy called dollar cost averaging can help smooth out market fluctuations. The key to this long-term strategy is persistence. Whether the market rises or falls, dollar cost averaging can work in your favor. That's because when you dedicate a fixed dollar amount to invest on a regular basis, your average cost per share over time will be lower than your average price per share.

Accumulating shares

When you invest using dollar cost averaging, you

- buy more shares when the price is low
- buy fewer shares when the price is high

Over time, dollar cost averaging may help you increase the numbers of shares you purchase and, at the same time, decrease your average share price. In this way, market volatility actually works for you – the way that investing a lump sum on a single day cannot.

The chart on the next page illustrates the purchase pattern for an investor with \$500 per month to invest in a hypothetical product during both rising and falling markets.

Getting started

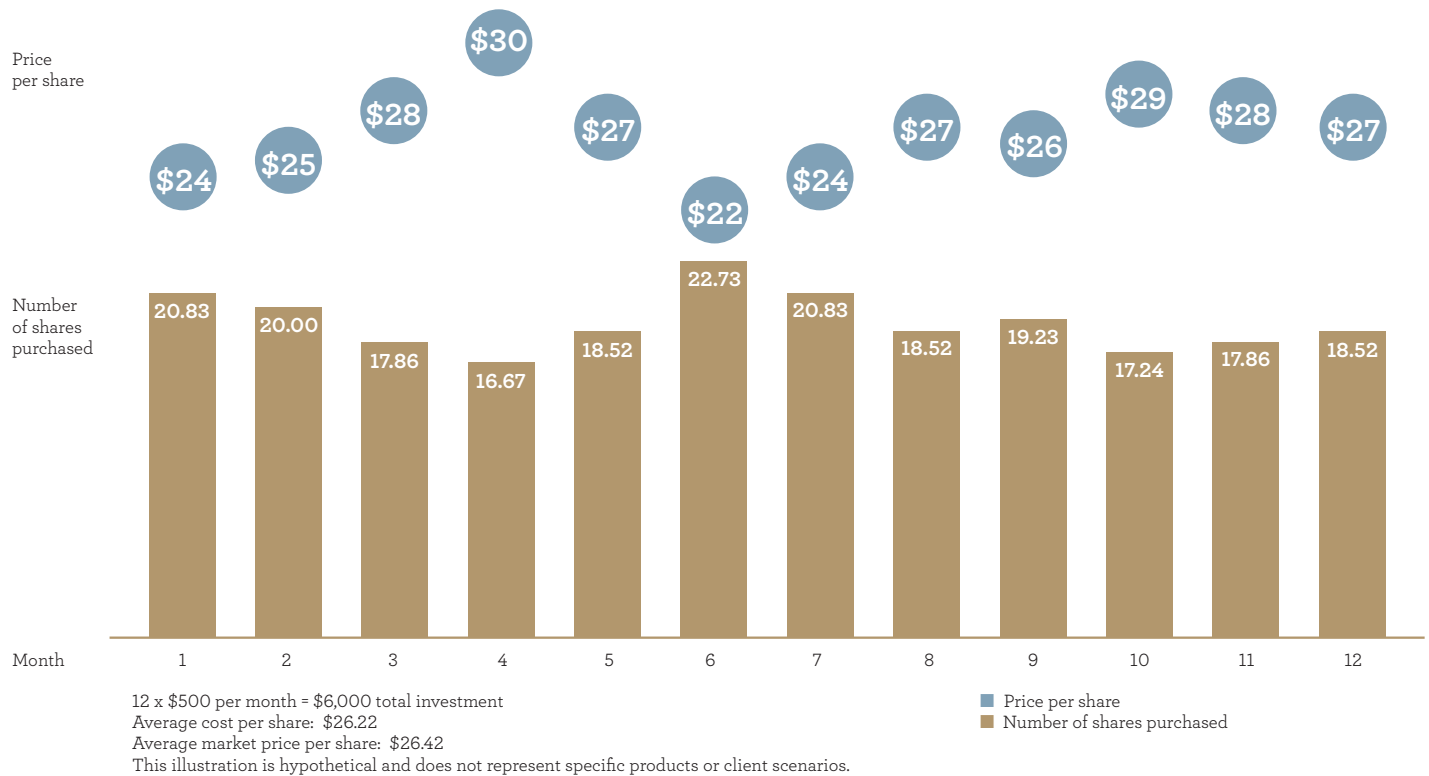
Determining whether dollar cost averaging is an appropriate investment strategy for you requires an evaluation of your individual financial situation, your risk tolerance and the objectives that you want to achieve.

If you choose, you may begin a dollar cost averaging program with a modest periodic investment. You choose exactly how much money and how often to invest. It's important that you're able to keep the amount steady over a period of time, usually on a monthly or quarterly basis.

Your Financial Advisor can arrange to automate the process by having the invested amount withdrawn from your checking or savings account by preauthorized withdrawals. The goal is to hold the investment for a longer term (some experts suggest 5 to 10 years) so that accumulating assets over time proves to be easy, convenient and efficient.

Talk with your Financial Advisor today about how dollar cost averaging may help you work toward your investment goals.

Use dollar cost averaging to your advantage



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