Dollar Cost Averaging

Heard of dollar cost averaging?

It's a great way for those with smaller budgets to ease into the investing world, whether they have a sponsored group retirement plan or a basic savings account.

This simple strategy can reduce investing risk, and make money go further.

Here's how.

Rather than investing a one-time lump sum into a fund each year,

dollar cost averaging divides your sum into smaller amounts, paid weekly, bi weekly or monthly.

You make the same total contribution, but at regular intervals over a longer period.

As the fund's unit price rises and falls, your contribution stays the same. This means you buy more units when the price drops, and fewer when it increases.

Over time, your average cost per unit is often lower than if you'd made a single annual purchase.

And this means you end up owning more units, but you haven't invested any more money.

All you have to do is set up regular contributions.

You can even make them automatic.

All you have to do is set up these regular contributions through your employer's payroll.

Dollar-cost averaging makes time your friend.

By contributing over a longer period, you reduce your temptation to try and time the market…

a risky strategy for even the most seasoned financial professionals.

Remember, the sooner you start, the more time your investment has to grow.

Contact your employer or plan sponsor to join your group retirement & savings plan so you can enjoy the benefits of dollar-cost-averaging.