Dollar Cost Averaging

How investing regularly can **BENEFIT YOU**.

As a participant in your employer's retirement savings plan, you are taking advantage of one of the basic principles of investing, dollar cost averaging. When you use the dollar cost averaging method, you invest a fixed amount of money at regular intervals. This means, through up and down markets, you continue contributing to your retirement account. During market declines, typically you pay less per share for an investment, and your contribution buys more shares.

When the market rises, typically you pay more per share, and your contribution buys fewer shares. But over time, with dollar cost averaging you may reduce the average cost per share of your investment and lessen the impact of market fluctuations on your account.

Dollar Cost Averaging vs. Lump-Sum Investment

Investing using the dollar cost averaging technique may be more beneficial than simply investing a large amount of money all at once. For example, if you put $600 in an investment that costs $10 a share, you would purchase 60 shares ($600/$10 = 60 shares). The hypothetical example below shows that if you invest that $600 in increments of $100 regularly over six months, you would end up with more shares (68.75 shares). In addition, you would pay a lower average price of $8.73 per share.

Contact your plan administrator to enroll in your retirement savings plan today!

EXAMPLE OF DOLLAR COST AVERAGING

Contribution Date	Investment Amount	Share Price	Shares Purchased	Total Shares Owned
Month 1	$100.00	$10	10.00	10.00
Month 2	$100.00	$8	12.50	22.50
Month 3	$100.00	$5	20.00	42.50
Month 4	$100.00	$10	10.00	52.50
Month 5	$100.00	$16	6.25	58.75
Month 6	$100.00	$10	10.00	68.75

The chart above is a hypothetical example and is for illustrative purposes only. This data is not intended to represent the performance of any particular investment choice. Please note that while the account in this illustration has gained value, a dollar cost averaging strategy does not guarantee a profit or protect you from a loss. The hypothetical figures do not include other fees that may be assessed.

QPA does not provide investment advice. Clients and other interested parties must consult and rely solely upon their own independent advisors regarding their particular situation. QPA does not act as a fiduciary.

QPA Inc. Qualified Plan Administrators