Freedom 55 Financial

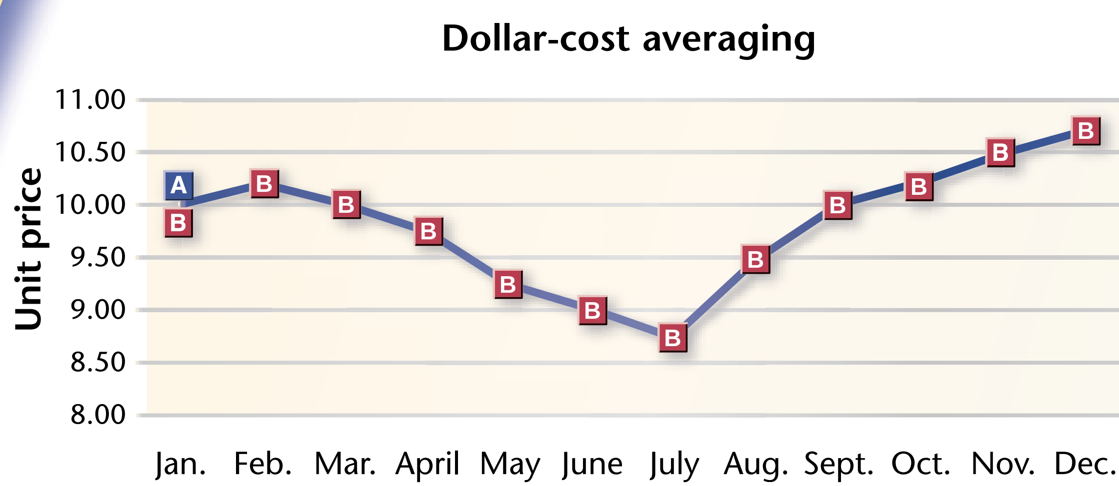
A division of London Life Insurance Company

QUADRUS

Quadrus Investment Services Ltd.

Take advantage of market fluctuation with dollar-cost averaging

Do you want to take a strategic approach to investing and avoid emotional reactions to the market's inevitable ups and downs? Are you looking for a way to avoid investing lump sums, **and to benefit from market dips**? Dollar-cost averaging is a great way to bring discipline to your investment plan.



A Investor A: Invests $3,000 in January @ $10 unit price.
Total units purchased = 300

B Investor B: Invests $250 monthly for 12 months.
Total units purchased = 306.18

What is dollar-cost averaging?

Dollar-cost averaging refers to investing regularly to average out the cost of your investment. When the unit price of a fund is low, your regular contribution buys more units. As a result, you typically receive a better average cost per unit than you would with a lump-sum investment.

How does it work?

Consider an example of two investors who decided to contribute $3,000 over a 12-month period in a hypothetical fund, ABC Fund.

Investor A chose to invest a single lump sum of $3,000 at the beginning of the year. Investor B, chose to take advantage of dollar-cost averaging by investing $250 each month throughout the year for the same total contribution of $3,000.

After a one-year period, Investor B owned more units of the fund than Investor A thanks to dollar-cost averaging. While the difference may not seem significant at first glance, imagine the potential over several years as part of a long-term investment strategy!

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