



Dollar Cost Averaging

Pay yourself regularly and save

Imagine going through your monthly bills and you come across a peculiar one labeled “Me.” Why should this be considered odd? After all – from your phone bill to your mortgage payment – it seems you pay everyone else but yourself! With dollar cost averaging, you can add “you” to the monthly recipients of your money, and build your retirement savings.

A disciplined savings strategy

Paying yourself regularly isn’t really such a foreign concept. Many of us already commit to saving a specified amount each month; although if you’re like most, you’re probably not as disciplined about it as you’d like. You may save some months, and save nothing at all other months. There’s a simpler approach that allows you to save regularly, while investing for your future. It’s called dollar cost averaging.

With dollar cost averaging, you invest a fixed amount of money on a regular basis – typically through payroll deductions that go directly into your employer-sponsored retirement plan. You invest the same amount, at the same interval, whether the market is up or down. So when prices are high, you buy fewer shares; and when they’re low, you buy more shares.

The best time to invest: All the time

Dollar cost averaging is a long-term investment strategy that can actually help keep you on track – whether market prices are rising, falling, or fluctuating. In a rising market, for example, the ideal situation is to buy at the beginning, when securities prices are at their lowest. The difficulty, however, lies in identifying the beginning point. If you buy at the wrong time, you could end up paying a higher price per share, which could cut into your profits when the investment is finally sold.

Using dollar cost averaging, you don’t have to worry about trying to time the market because you’re always investing the same amount. By regularly investing smaller amounts over a longer period of time, you can potentially lower your average cost per share. It can also help cushion the effects of wide price swings, while lowering the long-term cost of investing.



In a rising market, your \$100 buys fewer shares as the price increases...

RIISING MARKET

\$100 PER MONTH INVESTMENT

Share Price	Shares Purchased For:					
	Jan.	Feb.	Mar.	Apr.	May	June
\$ 4	20					
\$ 5		16				
\$ 6						
\$ 7						
\$ 8			12			
\$ 9				11		
\$10						
\$11					8	
\$12						7

Total amount invested: \$600
 Number of shares purchased: 85
 Your average cost per share: \$7.06 (\$600/85 shares)
 Average market price per share: \$7.33
 You save: \$.27 per share

In a falling market, that same \$100 buys more shares as the price declines...

FALLING MARKET

\$100 PER MONTH INVESTMENT

Share Price	Shares Purchased For:					
	Jan.	Feb.	Mar.	Apr.	May	June
\$ 4						25
\$ 5				20	20	
\$ 6			16			
\$ 7		13				
\$ 8	12					
\$ 9						
\$10						
\$11						
\$12						

Total amount invested: \$600
 Number of shares purchased: 106
 Your average cost per share: \$5.66 (\$600/106 shares)
 Average market price per share: \$5.83
 You save: \$.17 per share

And, when markets fluctuate, so will the number of shares you'll be able to buy with your \$100 investment...

FLUCTUATING MARKET

\$100 PER MONTH INVESTMENT

Share Price	Shares Purchased For:					
	Jan.	Feb.	Mar.	Apr.	May	June
\$ 4						
\$ 5	20					
\$ 6			16			16
\$ 7						
\$ 8				12	12	
\$ 9						
\$10		10				
\$11						
\$12						

Total amount invested: \$600
 Number of shares purchased: 86
 Your average cost per share: \$6.98 (\$600/86 shares)
 Average market price per share: \$7.17
 You save: \$.19 per share

Getting the best deal

The three charts on this page show how dollar cost averaging can help you save by consistently using a \$100 a month investment, over a six-month period, in rising, falling, and fluctuating markets.

Looking more closely at the fluctuating markets example, over six months, your \$600 investment would have allowed you to purchase 86 shares at an average cost per share of \$6.98. But if you calculated the average market price per share

over that same period (\$7.17), it would have cost you \$616.62 to buy those same shares (or 19 cents more per share) had you not made regular investments using dollar cost averaging.

Over a period of years, this strategy can potentially have a significant impact on your retirement saving strategy.

Pay yourself regularly and save

Dollar cost averaging cannot guarantee a profit or prevent losses

in declining and volatile markets. However, it offers a simple investment strategy that allows you to remain invested regardless of market conditions, while it also offers you a way to pay yourself regularly, while potentially saving on your investments. To learn more about dollar cost averaging and how to make the most of your retirement savings plan, contact your SBA representative.

You should consider the investment objectives, risks, charges and expenses of the variable product and its underlying fund options; or mutual funds offered through a retirement plan, carefully before investing. The prospectuses/prospectus summaries/information booklets contain this and other information, which can be obtained by contacting your local representative. Please read the information carefully before investing.

