



HollisWealth®



ACCURETA  
WEALTH MANAGEMENT



## YOUR GUIDE TO DOLLAR-COST AVERAGING

At Accureta Wealth Management™ in Ottawa, we regularly provide our clients with financial planning advice, financial services, and valuable investment tools. As your trusted financial advisor, we believe that financial investments are some of the most impactful decisions you can make, and we are always ready to help you find the best stocks to buy.

In many cases, this means strategically navigating unpredictable markets by investing in a dollar-cost averaging fund. That being said, here is your guide to dollar-cost averaging, from what it is and how it works to why it is a smart way to invest when you don't know which way the market will turn.

### WHAT IS IT?

Simply put, dollar-cost averaging is the process of taking the fixed amount of money you have consistently invested in investment vehicles such as mutual funds, stocks, bonds, etc. and spreading out the average cost per investment unit. This technique is used to minimize the risks associated with investing all your money in one or two aggressive stocks during a tumultuous time in the market. Because of this, you smooth out and protect your investment.

All it takes is a meeting with your financial advisor, who will help you set up the fund and provide you with all the personal finance advice you need to manage and monitor it. From there, you can watch as your money is dispersed among short-term AAA-rated fixed income securities in order to offset sudden spikes and dips in the market. The best part about investing in a dollar-cost averaging fund is that it requires little work, hassle, and stress on your part.

### HOW IT WORKS

As previously mentioned, dollar-cost averaging funds operate by taking your initial investment sum and strategically propagating it among a variety of short-term AAA-rated fixed income securities, rather than a few aggressive stocks that are prone to dropping substantially with changes in the market. To accomplish this, you must follow your initial investment with weekly transfers of just 1/52 of the original sum.

The balance will remain in the dollar-cost averaging fund as you invest the additional capital, protecting it long after you reach the final amount plus interest earned after 52 weeks. More often than not, the process of investing in a dollar-cost averaging fund results in a high capital gain despite the low average cost.



ACCURETA  
WEALTH MANAGEMENT



Open a dollar-cost  
averaging fund today!



HollisWealth®



ACCURETA  
WEALTH MANAGEMENT



## YOUR GUIDE TO DOLLAR-COST AVERAGING

cont'd.

### INVEST IN A DOLLAR-COST AVERAGING FUND WITH ACCURETA WEALTH MANAGEMENT

Now that you know what dollar-cost averaging funds are and how they work, let us explain why they are a great way to invest during an unpredictable time in the market. There's a reason why people choose to invest in this approach, rather than several aggressive stocks. It all comes down to the lower risk, the freedom to choose, and the discipline that comes from investing a steady sum every week.

First and foremost, these conservative funds are attainable at a low minimum of just \$1,000 as the initial investment. This allows you to dip your toes in the market and start analyzing and anticipating your earnings via a return on investment calculator well before you invest the full amount. By starting small, you get a feel for the current state of the market and can make informed decisions about which funds to invest in.

Dollar-cost averaging funds also grant you a great deal of freedom in terms of which funds to invest in, as there are many different ones to choose from. These include short-term AAA-rated fixed income securities, and tax-efficient corporate classes for investment accounts that are not registered. No matter which funds you choose to disperse your investment among, you'll also develop the discipline associated with investing a consistent amount every week until you reach your end goal.

If you are interested in investing in a dollar-cost averaging fund, get in touch with our financial advisors at Accureta Wealth Management today! We are passionate about helping our clients and are more than willing to help you take the steps necessary to get a worthwhile return on your investment.

During this time, Lehman Brothers filed the largest bankruptcy in U.S. history (\$639 billion in assets and \$619 billion in debt), which took down the rest of the world in a global recession. As if to put a cherry on top of the U.S. economic crisis, renowned American stockbroker Bernard Madoff pulled off the biggest Ponzi scheme in history and admitted to fraudulently making billions of dollars from his clients.



HollisWealth®



ACCURETA  
WEALTH MANAGEMENT

Sussex Centre, 50 Burnhamthorpe Road West, Suite 401, Mississauga, ON L5B 3C2.  
O: 647 200 5204 | M: 647 720 8883 | F: +1 905 232 8839  
naveen.kumar@accuretawealth.com | info@accuretawealth.com | www.accuretawealth.com

*Naveen Kumar, MBA, Associate Investment Advisor,  
HollisWealth, a division of Industrial Alliance Securities Inc. | Insurance Advisor, Hollis Insurance.*

This information has been prepared by Naveen Kumar who is an Associate Investment Advisor for HollisWealth®. Opinions expressed in this article are those of Naveen Kumar only and do not necessarily reflect those of HollisWealth.

HollisWealth® is a division of Industrial Alliance Securities Inc., a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. Insurance products provided through Hollis Insurance.