

The Pre-Authorized Contribution advantage

Credential

How regular contributions can get you to your financial goals faster



Market fluctuations make it difficult for investors to determine precisely when to capitalize on an investment opportunity.

Setting up a Pre-Authorized Contribution plan, or "PAC", reduces the impact of market fluctuation taking advantage of Dollar Cost Averaging.



How Dollar Cost Averaging works

Monthly Investment

Month	Monthly Investment	Unit Price	Units Purchased
January	\$ 100	\$ 10	10.00
February	\$ 100	\$ 9	11.11
March	\$ 100	\$ 8	12.50
April	\$ 100	\$ 7	14.29
May	\$ 100	\$ 6	16.67
June	\$ 100	\$ 5	20.00
July	\$ 100	\$ 5	20.00
August	\$ 100	\$ 6	16.67
September	\$ 100	\$ 7	14.29
October	\$ 100	\$ 8	12.50
November	\$ 100	\$ 9	11.11
December	\$ 100	\$ 10	10.00
Total	\$ 1,200		169.14

On December 31st (after one year), profit = market value of units purchased - total cost of purchasing those units
 $\$491.27 = \$1,691.14 - \$1,200$

Lump Sum Investment

Month	Monthly Investment	Unit Price	Units Purchased
January	\$ 1,200	\$ 10	120.00
February	\$ 0	\$ 9	0.00
March	\$ 0	\$ 8	0.00
April	\$ 0	\$ 7	0.00
May	\$ 0	\$ 6	0.00
June	\$ 0	\$ 5	0.00
July	\$ 0	\$ 5	0.00
August	\$ 0	\$ 6	0.00
September	\$ 0	\$ 7	0.00
October	\$ 0	\$ 8	0.00
November	\$ 0	\$ 9	0.00
December	\$ 0	\$ 10	10.00
Total	\$ 1,200		120.00

On December 31st (after one year), profit = market value of units purchased - total cost of purchasing those units
 $\$0 = \$1,200 - \$1,200$



Remember that no one can accurately predict the future.

Making regular fixed-dollar contributions to an investing solution such as a mutual fund, you'll likely invest during times of **high and low prices**.



Dollar Cost Averaging reduces the risk of investing in the market at the wrong time which helps **average out your returns over the long term**.

Benefits of setting up a PAC:

- Makes saving a habit with automatic deductions and deposits
- Provides flexibility to customize contribution amounts and timing that best suits your budget and goals
- Eliminates the need to come up with a large lump sum amounts to invest
- Builds savings effortlessly while taking advantage of compounding and dollar cost averaging

Bottom-line, a Pre-Authorized Contribution plan is easy to set up, convenient, free, and most importantly an effective approach to **building and growing investments quickly and efficiently!**