

# STAY CALM AND INVEST REGULARLY

A volatile market can make anyone nervous about investing. Calm your nerves by setting up a regular contribution plan to benefit from **dollar cost averaging**. This means you buy more units when prices are low and fewer units when prices are high, which over time may help to smooth out the effects of market fluctuations.

## How dollar cost averaging works

Dollar cost averaging can help lessen the impact of market volatility in your portfolio. We'll compare two investors: Jane and Frank both invest \$2,400 in the same fund<sup>1</sup> but only one uses a dollar cost averaging strategy.



**Jane** made a lump-sum investment with a unit price of \$10. She purchased 240 units.



**Frank** made monthly contributions of \$100 for 24 months. Because he bought some units in a market dip, his average unit price was \$8.41 and he purchased 285 units.

### Dollar Cost Averaging



As you can see, with dollar cost averaging, Frank was able to capitalize on periods of market dips to acquire **more units** at the end of the period, than Jane's lump sum purchase at the beginning.

## Benefits of dollar cost averaging



**Brings discipline to your investment plan**



**Helps you avoid market timing**



**Buys more units when prices are low**

## Why choose Empire Life

- Empire Life is one of the top 10 life insurance companies in Canada.<sup>2</sup>
- In 2014 we were named Best Life Insurance Company in Canada by World Finance Magazine for the second year in a row.<sup>3</sup>
- We have been managing money for Canadians for over 50 years<sup>4</sup> using a conservative, value oriented and disciplined investment approach that emphasizes downside protection.
- Through your advisor, you have access to Empire Life's comprehensive suite of investment products designed to help meet your needs at every stage of life.
- The Empire for Life<sup>®</sup> Loyalty Program rewards long-term investors and can help you reach your goals faster.

**For more information, speak with your financial advisor today.**

<sup>1</sup> The market values quoted are hypothetical and for illustrative purposes only. They should not be considered representative of past or future investment performance. <sup>2</sup> The Globe and Mail Report on Business, June 2015, based on revenue. <sup>3</sup> As at May 19, 2015 <sup>4</sup> The Empire Life Insurance Company and its subsidiary, Empire Life Investments Inc., collectively have 50 years of experience in managing money. Empire Life Investments Inc. has been managing money since January 2012.

Segregated fund contracts are issued by The Empire Life Insurance Company. A description of the key features of the individual variable insurance contract, including death benefit guarantee resets, as well as the Empire for Life<sup>®</sup> Loyalty Program, is contained in the Information Folder for the product being considered. Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.

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