

## SMOOTHING MARKET UPS AND DOWNS

Dollar-cost averaging may help take the guesswork out of when to invest

Investment date	Amount invested (\$)	Share price (\$)	# shares purchased
January	100	14.00	7.143
February	100	13.00	7.692
March	100	13.00	7.692
April	100	14.00	7.143
May	100	14.00	7.143
June	100	10.00	10.000
July	100	13.00	7.692
August	100	9.00	11.111
September	100	14.00	7.143
October	100	9.00	11.111
November	100	10.00	10.000
December	100	14.00	7.143
Totals:	Amount invested: <b>\$1,200</b>	Average price: <b>\$12.25</b>	Shares purchased: <b>101.013</b> Average cost per share: <b>\$11.88</b>

This illustration is hypothetical and is not meant to represent any specific investment or to imply any guaranteed rate of return.

### Dollar-cost averaging explained:

- Dollar-cost averaging is the practice of investing a fixed dollar amount at regular intervals. This can be an effective strategy even during periods of market ups and downs.
- More shares are purchased when prices are low and fewer shares are bought when prices are high.
- In the end, dollar-cost averaging may lower your overall cost per share while you accumulate more assets.

### Benefits of dollar-cost averaging during market downturns:

- Investors who sit on the sidelines when the market declines may fail to benefit from purchasing stocks when they are at a lower market price.
- Adopting dollar-cost averaging may be one way to avoid issues of market timing.
- Dollar-cost averaging can help you maintain discipline and manage risk during volatile markets.

**To start taking advantage of dollar-cost averaging, consult with your financial advisor.**

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Dollar cost averaging and asset allocation does not assure a profit or protect against loss. Dollar-cost averaging is a method of investing that helps reduce the risks of market timing by investing a fixed amount at regular intervals. When prices are low, your investment purchases more shares. When prices rise, you purchase fewer shares. Over time, the average cost of your shares will usually be lower than the average price of those shares. It does not assure a profit or protect against losses in a declining market. However, over longer periods of time it can be an effective means of accumulating shares. Investors should consider their ability to continue investing through periods of low market prices.

This information is not intended to provide investment advice and does not account for individual investor circumstances. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance.

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\* In U.S. dollars as of December 31, 2019. Source: Ameriprise Q4 Earnings Release. Contact us for more current information.

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