OHIO Deferred Compensation
Invest in you.

Dollar-Cost Averaging Helps Manage Market Volatility

You are not alone in thinking that managing your retirement savings in a down market is a challenge. When confronted with negative outcomes, many investors choose to get out of the market, effectively locking in losses. One of the key benefits of contributing to Ohio DC is dollar-cost averaging—investing the same amount of money at regular intervals regardless of the price.

You accomplish this through your contributions that are deducted from your paycheck. When fund prices are down, your contributions purchase more shares. When fund prices are up, your contributions purchase fewer shares.

How dollar cost averaging works

When you invest the same amount regularly, you end up buying fewer units when the market is up and more units when the market is down. This may cut your average cost per share because you're buying fewer units at a higher price and more units at a lower price.

Here's an example of how dollar cost averaging might work over a four month period:

Month	Amount Invested	Cost Per Share	Number of Shares Purchased
March	$100	$20.00	5
April	$100	$25.00	4
May	$100	$10.00	10
June	$100	$50.00	2
Average Cost Per Share:		$19.05	21

Lower cost over time

By continuing your contributions through a down market, you may pay less for your investments than their average price over a long period of time. This type of strategy involves continuous investment in a security regardless of the fluctuating price levels of such securities. Of course, dollar-cost averaging does not guarantee a profit or protect against loss in a declining market.

Keep contributing

You don't have to do anything different to take advantage of dollar-cost averaging. As long as you make regular contributions to your Ohio DC account, you'll have it working for you.