

Dollar Cost Averaging



Ralph Wright

Sr Vice President – Wealth Mgmt
Senior Portfolio Manager

Gregory Butler

Sr Vice President – Wealth Mgmt
Senior Portfolio Manager

Susan Rand

Senior Client Associate

Brandy Goldman

Client Associate

The technique of buying a fixed dollar amount of a particular investment on a regular schedule, regardless of the share price. If the dollar amount stays fixed, more shares are purchased when prices are low, and fewer shares are bought when prices are high.

Most of our clients become clients due to what we call a “liquidity event”. One of their assets, a business interest, retirement plan, shares of a private company, or a perhaps a hard asset such as real estate is sold or becomes available for sale. Our practice is focused on the reinvestment of these assets.

When a “liquidity event” occurs, we believe that investors should “slowly” reinvest their proceeds. (Removing the emotion from the process) Often the liquidity event will be in the largest asset a client owns, and for the first time in their life, the asset is no longer a nebulous “thing”, but a number, typically in a bank or money market account.

Dollar Cost Averaging, allows investors to ease into the market while not subjecting their entire portfolio to market risk immediately. For example, if an investor has a liquidity event of \$1,000,000 – it would be common for us to invest \$100,000 per month for 10 months.

The advantages of dollar cost averaging are that you receive the average price of the investment over your time period. You have taken out some of the “timing risk” in putting your money to work.

Dollar Cost Averaging can help reduce the initial volatility of an investor’s portfolio while taking out the emotion of the daily market price swings. Our belief is that trying to predict the movements of a market is impossible. We believe, it is better to invest, consistently and persistently, taking both the ups and downs of the market in stride and accepting the market returns.

Our belief is that the emotional risk of lump sum investing, immediately before a market downturn is a very real risk, but obviously extremely difficult to quantify. For investors who feel more comfortable investing their proceeds in a lump sum, this can be discussed.

The Princeton Group

UBS Financial Services Inc.

100 Overlook Center, Suite 303
Princeton, NJ 08540

800-307-7723
855-723-1242 Fax

advisors.ubs.com/princetongroup/



As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at ubs.com/relationshipsummary, or ask your UBS Financial Advisor for a copy. © UBS 2024. All rights reserved. The key symbol and UBS are among the registered and unregistered trademarks of UBS. UBS Financial Services Inc. is a subsidiary of UBS Group AG. Member FINRA/SIPC.