

# Dollar cost averaging: opportunity amidst uncertainty

*During periods of uncertainty and increased market volatility, investors can easily lose sight of their long-term financial goals or even fall into the trap of trying to time the ups and downs of the market. But keep in mind, in order to be a successful market timer you need to get it right twice – when to exit and again when to re-enter the market.*

**Since 2000, there have been three bear markets. During each overall market drop, multiple up-market periods add to the complexity of trying to time your actions.**



**Dollar cost averaging is a disciplined investment plan that results in buying more shares when prices are low and fewer shares when prices are high. This may help:**

- Reduce the emotion created by market volatility
- Avoid the traps of market timing
- Help achieve financial goals

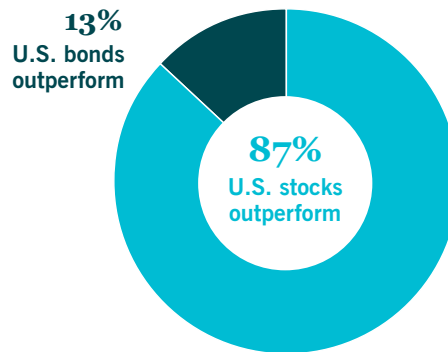
Note: dollar cost averaging does not assure a profit and does not protect against loss in declining markets

As markets move lower, it's natural to want to sell out of stocks and buy bonds. But remember, historically stocks have tended to provide higher returns.

Investors that stick to a systematic investing plan, like dollar cost averaging, may actually take advantage of stock market downturns to enhance investment return over the long-term.

### Rolling 10 year periods

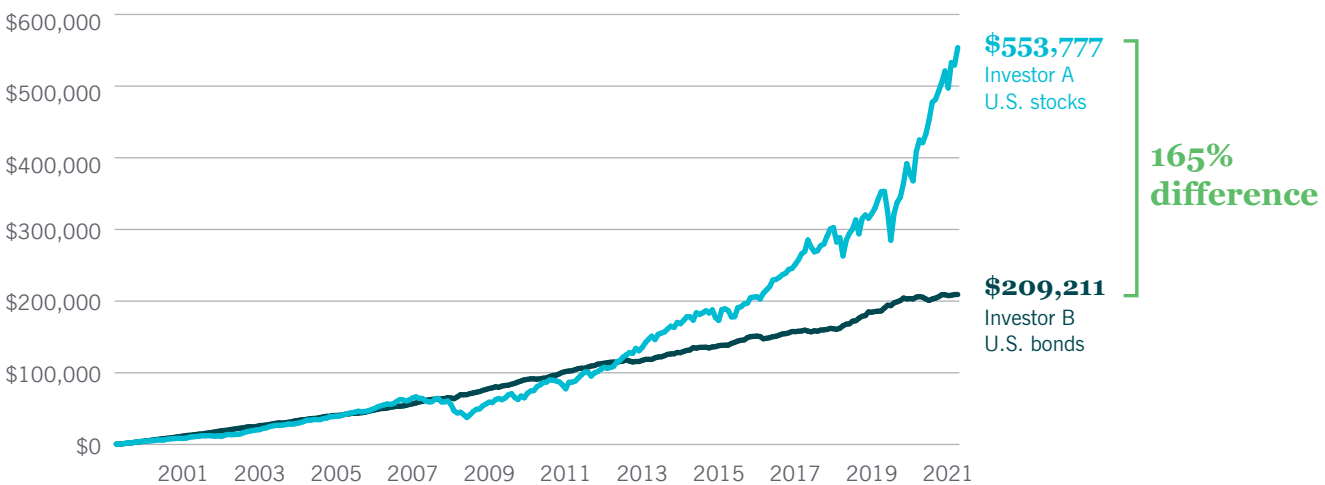
433 total periods evaluated since 01 Jan 1976



### Consider the example below:

- Investor A invests \$500 every month into U.S. stocks, while Investor B puts \$500 every month into U.S. bonds since the beginning of the century (01 Jan 2000 through 31 Dec 2021)
- This period includes three bear markets (technology bubble, financial crisis, COVID-19 health crisis) since 2000
- During this period, U.S. stocks (+7.53) outperformed U.S. bonds (+4.83%) on an annualized basis
- While, **Investor A accumulated 165% more wealth by benefitting from short-term volatility to buy more shares of stocks when prices were lower**

### Accumulation of wealth after \$500 monthly investments



### For more information, please visit [nuveen.com](https://nuveen.com).

Note: U.S. stocks are represented by the S&P 500® Index and U.S. bonds are represented by the Bloomberg US Aggregated Bond Index. Total returns include reinvested income and dividends.

The **S&P 500® Index (S&P 500)** is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. Performance does not reflect the impact of fees and expenses. Investors cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

The **Bloomberg US Aggregate Bond Index**, or the **Agg**, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Investors frequently use the index as a stand-in for measuring the performance of the U.S. bond market.

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