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THE JOHNSON LEGACY REPORT

Building Trust for Generations



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DOLLAR-COST AVERAGING (DCA) – Another way to deal with and take advantage of market fluctuations.

Dollar-cost averaging is an investment technique used to help reduce the risk of timing a single investment. By investing a fixed dollar amount at regular intervals, dollar-cost averaging takes advantage of fluctuating prices. Over time, dollar-cost averaging can lower the average price per unit purchased and provide the potential for higher capital appreciation.

So, let's say you purchase \$100 worth of units of the same investment every week/month. With fluctuations in the marketplace, sometimes the cost per unit will be higher, sometimes it will be lower. When the price is lower, you end up buying more units than when the price is higher.

Over time, it works out that you buy more units when the price is low and you may end up with more units in total than you would if you tried to figure out when the market was going to provide you with the best outcome.

How can DCA help you?

Provide a disciplined approach — DCA helps make sure that you don't try to "time" the market and that you continue to invest even when markets are down (*with opportunities to invest at lower prices*).

Give you peace of mind — Regular contributions means not having to worry about investing at a "high" point in the market or missing an opportunity to invest at low prices. As a result, you may receive, over time, a more average investment price.

Is DCA right for you?

- If you're looking for an investment strategy that will help provide more consistent returns over the long run
- If you want to make regular contributions instead of lump sum payments

By staying invested, you won't miss out on the best days that make up some of the market growth. Strong performance occurs on a handful of single days over a longer period. There's no way to predict these strong days. Also, by using the dollar-cost averaging approach, it may help smooth out market fluctuations, and over time, it can help lower the average price per unit purchased and provide the potential for higher capital appreciation.

Source: Manulife Investment Management.com 2022020



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Market Pulse:

Major Stock Indexes	Level/Price	YTD Return Ending July 31th/2020
S&P/TSX Comp	16,169	-5.24%
S&P 500 Comp	3,295	1.98%
Dow Jones Industrial Avg	26,664	-6.57%
Major Bond Index		
Dex Universe	1,223	8.89%
Commodities		
Crude Oil - WTI (US\$/bbl)	1,223	8.89%
Gold (US\$/oz.)	\$1,776	16.57%
N. Gas (US\$/MMBtu)	\$1.69	-22.98%
Currency		
Canadian Dollar (CAD/USD)	\$0.75	-3.14%

Source: FactSet, Raymond James Ltd.

Personal Updates:

Lori is on a road trip exploring beautiful BC. She is spending a couple days in Victoria and taking day trips to Pender Island and Salt Spring Island. A pleasant change of scenery was overdue.

Jay and the family have been spending a lot of time out on Okanagan Lake this summer. It seems beach and/or boating with friends and family is on the agenda almost every other day. They have done a couple of cheap Friday night downhill days up at Big White. Jay agreed to cycle, on his road bike, down from the top of Big White to meet a friend in Black Mountain and cycle back up together. The 105km round trip with almost 1,900 meters of elevation gain, and was only the second time Jay had been on his road bike this year. His body wasn't happy about it!

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