

PAC Puts the Power of Time on Your Side

A Preauthorized Contribution plan (PAC) can help your investments grow faster

The earlier you start investing money, the more time your portfolio has to grow.

And a preauthorized contribution plan makes it easy for you to start now, even in a small way, and get time on your side. Every month, a regular amount is withdrawn from your bank account, and added to your investment account, helping you “Pay Yourself First” automatically.

Is your investment plan a priority? You must do more than save whatever money is left over at the end of the month. Educators Financial Group Planner Marie Blanchet points out, “In the average household, there’s rarely any money left over. Saving for the future shouldn’t be an afterthought. My clients find that a PAC is the most effective way for them to put money aside, just like they would pay a mortgage or hydro bill.”

A preauthorized contribution plan (or PAC) enables your plan! You take the money right off the top before you pay your other bills, and your investment goals get top priority.

Don’t Worry About Choosing the “Best” Time to Invest

Since markets fluctuate, it’s difficult for the average investor to determine the best time to invest—even professional investment managers find it challenging to time the market. With PAC, you can benefit from an investment technique called “dollar cost averaging.”

Dollar Cost Averaging

As the chart illustrates, dollar cost averaging takes advantage of market fluctuations by investing a fixed dollar amount at regularly scheduled intervals.

- When the price is high, your fixed dollar investment buys fewer mutual fund units
- When the prices are low, your fixed dollar investment will buy more
- Your average unit cost is reduced
- You eliminate the risk of investing in the market at the wrong time

A dollar cost averaging investment technique can be more effective than market timing, especially when used over an extended period of time, such as five to ten years.

With PAC and a dollar cost averaging strategy, you can lower the average cost per unit, increase the growth potential of your investment, and avoid the stress of market timing.

Example – for illustration purposes: Dollar cost averaging can work to your advantage investing \$150 per month

Time Frame	Cost per unit	Units bought	Investment
January	\$10	15.0	\$150.00
February	\$9	16.7	\$150.00
March	\$8	18.8	\$150.00
April	\$7	21.4	\$150.00
May	\$6	25.0	\$150.00
June	\$5	30.0	\$150.00
July	\$5	30.0	\$150.00
August	\$6	25.0	\$150.00
September	\$7	21.4	\$150.00
October	\$8	18.8	\$150.00
November	\$9	16.7	\$150.00
December	\$10	15.0	\$150.00
TOTAL		253.8	\$1,800.00
Total value at December 31 (based on a unit value of \$10)			\$2,538.00

Compared with \$1,800 lump sum investment

Time Frame	Cost per unit	Units bought	Investment
January	\$10	180.0	\$1,800.00
TOTAL		180.0	\$1,800.00
Total value at December 31 (based on a unit value of \$10)			\$1,800.00
Potential investment gain with PAC			\$736.90

Here's how to get started with your PAC!

Choose the amount to invest

- Decide on an amount that suits your budget—even a contribution as small as \$25 a month will get you started.
- You can change the contribution if you want it pegged higher or lower.

Choose how often to invest

- Select your preferred payment dates from our flexible schedule

Your money is automatically invested

- An Educators Financial Group advisor will set up an investment plan that fits your financial goals and risk profile.

Take care of your RRSP contribution — in advance

- By year-end, accumulate your total contributions for your RRSP.
- Avoid the hassle and high cost of borrowing money to make your RRSP contribution.

Get started right away!

- The sooner you start, the sooner your investment can start to grow.

Frequency	Start Dates	Number of Payments/Year
Weekly	Friday	52
Bi-Weekly	Friday	26
Semi-Monthly	1st and 15th	24
Monthly	1st and 15th	12

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Focused *exclusively* on the education community for more than 30 years.



Your Knowing Advantage

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