

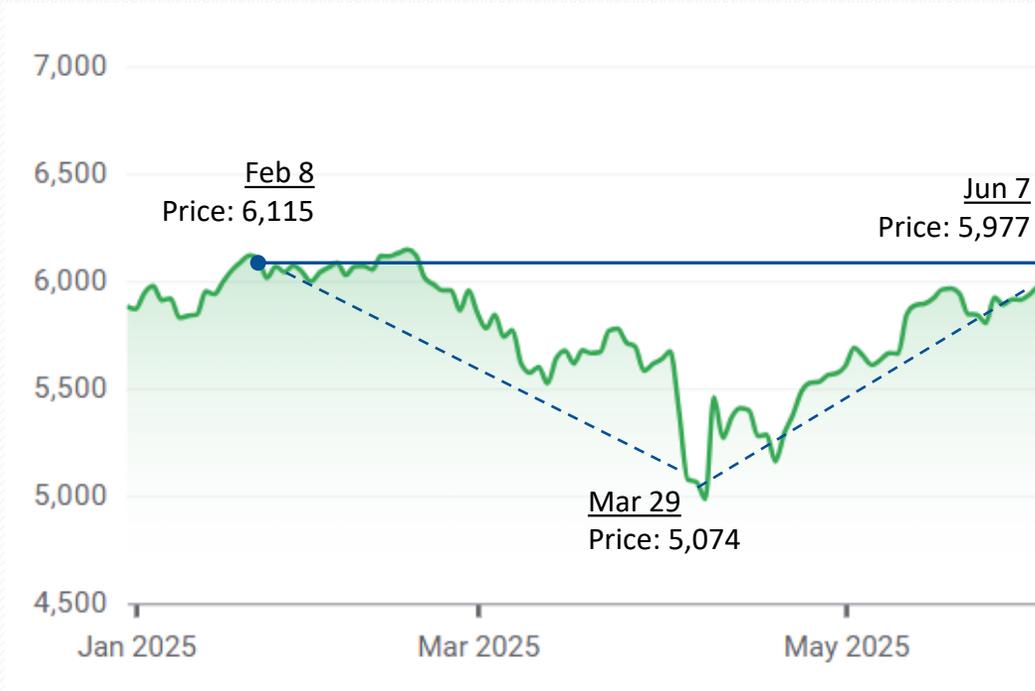
Lump-Sum vs. Cost-Averaging: Which investment strategy is right for you?

Feature	Lump-Sum (LS)	Cost-Averaging (CA)
Definition	Invest the entire amount at once	Spread investment into smaller installments over time
Best In	Rising markets (long-term trend is usually upward)	Volatile or uncertain markets
Returns	Historically higher (money is in the market longer)	Potentially lower (delayed market exposure)
Risk	Higher short-term risk if market drops right after investing	Lower short-term timing risk, spreads entry points
Emotional Impact	Can be stressful if portfolio loses value immediately	Easier to tolerate volatility with smaller commitments
Convenience	Simple, one-time action	Requires ongoing management and scheduling
Investor Fit	Suited for confident, long-term investors with high risk tolerance	Suited for cautious or first-time investors seeking peace of mind

Note: Some of the content was AI-generated

Investing with LS and CA - illustration

S&P 500 Index



Lump-sum or Cost-averaging

For illustrative purposes only

Amount to invest \$ 1,800.00

	Date	Price	Weekly \$ Change	Value of investments sold on 7/7			
				Lump Sum (A)	Lump Sum (B)	Monthly CA	Weekly CA
1	8-Feb-25	6,114.63		\$ 1,759.48		\$ 439.87	\$ 97.75
2	15-Feb-25	6,013.13	\$ (101.50)				\$ 99.40
3	22-Feb-25	5,954.50	\$ (58.63)				\$ 100.38
4	1-Mar-25	5,770.20	\$ (184.30)				\$ 103.58
5	8-Mar-25	5,638.94	\$ (131.26)			\$ 476.98	\$ 105.99
6	15-Mar-25	5,667.56	\$ 28.62				\$ 105.46
7	22-Mar-25	5,580.94	\$ (86.62)				\$ 107.10
8	29-Mar-25	5,074.08	\$ (506.86)		\$ 2,120.29		\$ 117.79
9	5-Apr-25	5,363.36	\$ 289.28			\$ 501.48	\$ 111.44
10	12-Apr-25	5,282.70	\$ (80.66)				\$ 113.14
11	19-Apr-25	5,525.21	\$ 242.51				\$ 108.18
12	26-Apr-25	5,686.67	\$ 161.46				\$ 105.10
13	3-May-25	5,659.91	\$ (26.76)			\$ 475.21	\$ 105.60
14	10-May-25	5,958.38	\$ 298.47				\$ 100.31
15	17-May-25	5,802.82	\$ (155.56)				\$ 103.00
16	24-May-25	5,911.69	\$ 108.87				\$ 101.10
17	31-May-25	6,000.36	\$ 88.67				\$ 99.61
18	7-Jun-25	5,976.97	\$ (23.39)				\$ 100.00

Value on 7/7	\$ 1,759	\$ 2,120	\$ 1,894	\$ 1,885
\$ Change	\$ (41)	\$ 320	\$ 94	\$ 85
% Change	-2.3%	15.1%	4.9%	4.5%

[Worksheet download](#)