E-Financial Update

Financial Ideas & Education for CCOERA Plan Participants

What's good about Volatile Markets?

When fund share prices decline, you get more shares for your contributions, and when values rise again, you get more growth on these lower priced shares.

Although equity markets have been quite volatile in recent years, it is important to remain patient and diversified. In fact, there are two key investment strategies that automatically take advantage of volatile market conditions:

1. **Dollar-Cost Averaging**
2. **Portfolio Re-balancing**

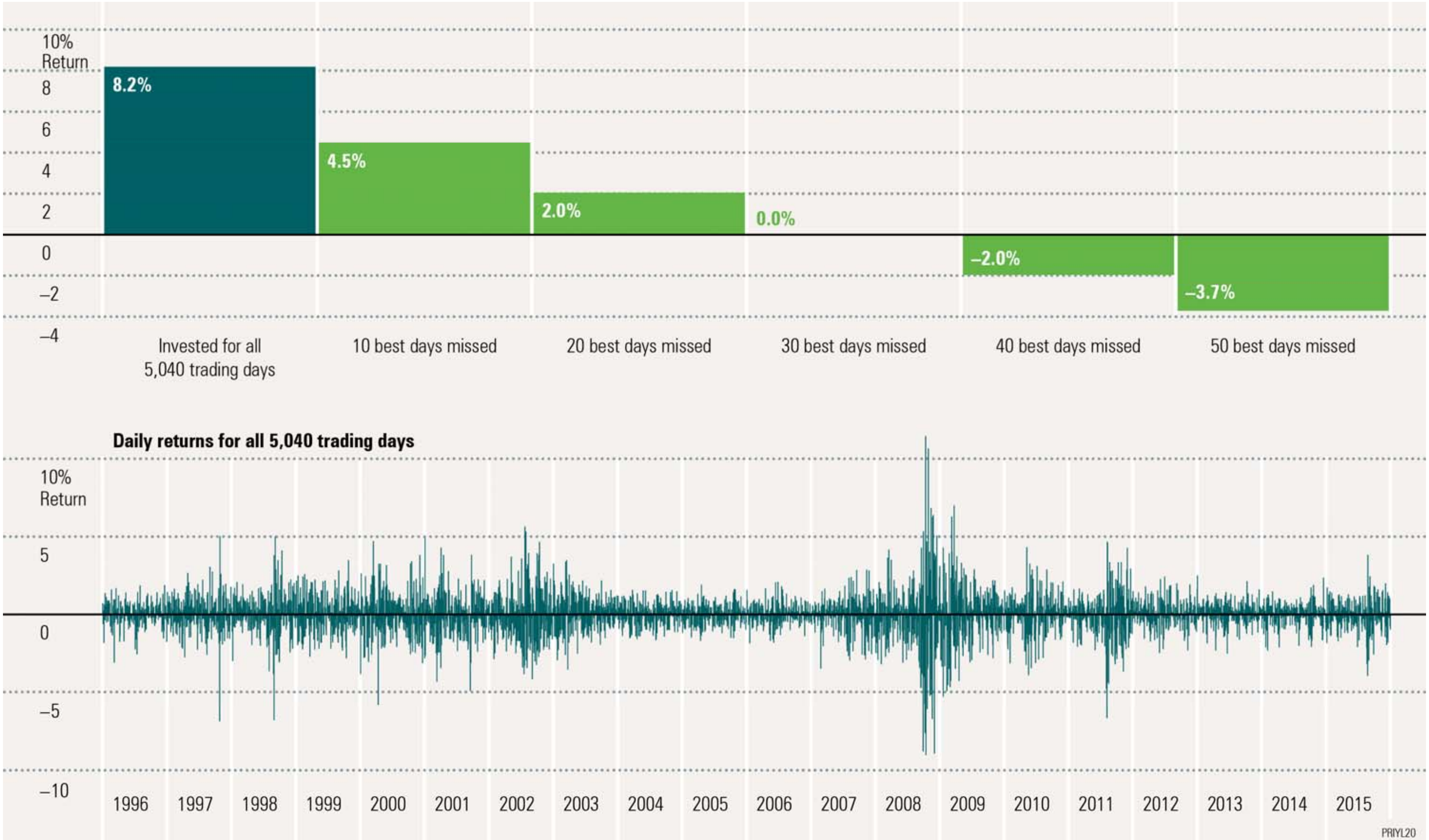
Both of these strategies are used in CCOERA's five Pension Portfolios. They will not only increase a portfolio's potential growth in an up market, but also improve its stability in a down market.

Dollar-Cost Averaging typically involves a regular, monthly investment plan, just like the regular payroll contributions CCOERA participants make. This strategy involves investing the same amount in the same investments on a regular basis. As the market goes down, investors are able to buy more shares at the lower prices. Then, when the market goes up, these low priced shares will produce extra growth. In fact, the more volatile the market, the better this strategy works. Volatile markets present investors with more opportunities to buy additional shares at reduced prices. The last major market downturn enabled CCOERA participants to purchase investment shares that were more than 30% lower than what they were in prior months.

Portfolio Re-balancing resets a portfolio's investment allocations back to the allocation percentages originally established at the beginning of a given period (e.g. one calendar quarter). The effect of this strategy is to move money from the investments that have done the best over the last quarter to the investments that are down the most. With quarterly re-balancing, the investor will be selling investment shares that are relatively high and buying shares that are relatively low on a regular basis. When the market is up, this strategy automatically pulls gains from the investments that have done the best, selling them when they are more highly priced. These profits are then moved into the investments that are down the most, building up extra shares at lower prices and increasing the portfolio's potential for future growth as well as stability. When the market is down, this strategy accelerates the share accumulation process that, likewise, provides extra growth in the account.

As mentioned previously, both these strategies are regularly employed in CCOERA's Pension Portfolios. In all market environments, these strategies and portfolios offer CCOERA participants the easiest and best way to increase their potential growth and stability. To learn more about CCOERA's Pension Portfolios, contact a **CCOERA Client Services** representative at **(303) 713-9400, press 0 or (800) 352-0313, press 0, then say "yes" for CCOERA Client Services.**

The Cost of Market Timing
Risk of missing the best days in the market 1996–2015



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