



Zurich Investments

Time in versus timing – build your wealth by investing now

Many people often question investing, simply because they don't know when the best time to start investing is. We believe that if you want to build your wealth by investing in managed funds then the simplest strategy is to start now.

Don't try to pick the best time to invest

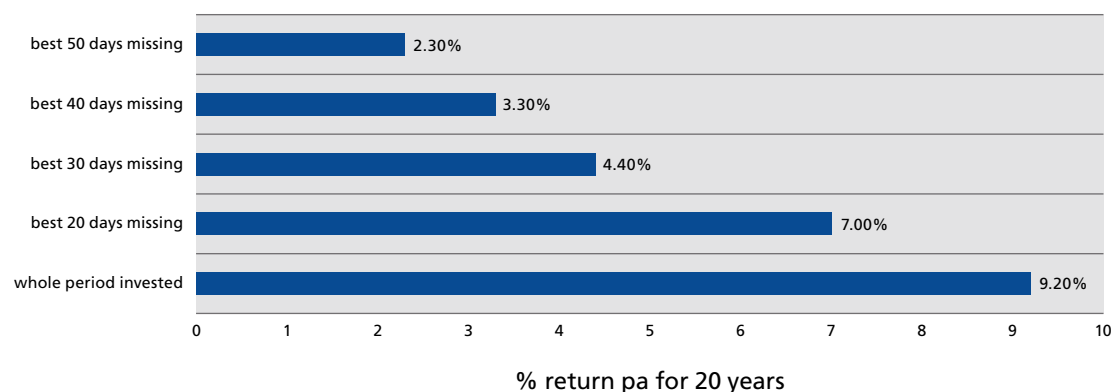
Many people try to pick when the best time to invest will be. They aim to invest when the market is low, hoping to get more for their investment dollars. They wait until the market falls, and then wait some more just in case it falls further. Unfortunately, markets are unpredictable, and waiting to invest may mean you miss out on periods of strong returns.

The chart below shows that missing just some of the days when Australian markets performed the best, makes a significant difference to the value of your investment over time.

By abandoning your long term investment plan when the market is falling, and then investing again when the market improves, you would miss the opportunity to purchase your investments at a lower price. The chart illustrates how your investment would have performed better had you stayed invested during the entire period.

A more appropriate strategy is to invest as soon as you have the money available, and keep it invested. This 'buy and hold' strategy means that you do not allow yourself to be influenced by the ups and downs of the markets and you don't have to get carried away with when is the best time to invest. You just have to remember that it's your 'time in' the market that can make all the difference – not your 'timing'!

Missing best days – effect on returns



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Source: Zurich Investments. Chart shows the consequences of missing the best investment days in the S&P/ASX 300 Accumulation index. July 1985 – June 2006

Add to your investments regularly

Making regular contributions means you can grow your investments without worrying if it is the right time to invest. It allows you to ride out market changes, and can help you build your wealth sooner, due to the power of compound interest (earning interest on your interest).

Regular contributions into your investments mean that you automatically buy less when the markets are high and more when the markets are low, averaging out the amount you are paying for your investments. This is known as 'dollar cost averaging' and works regardless of whether markets are going up or down.

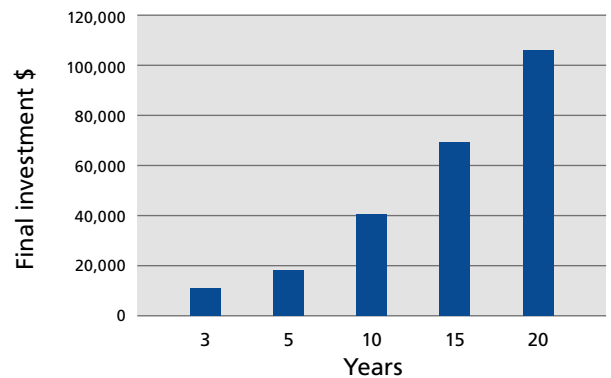
Zurich Investments offers a regular investment plan on all retail funds, which allows you to contribute a set amount each month. Your money is directly debited from your bank account, so you don't have to remember to make the investment, and you don't get the chance to spend the money on something else!

Start investing as soon as you can

As we've said, don't wait for the best time to invest – start as soon as you can through a regular investment plan, or using any lump sums that you may receive. The sooner you start, the greater your wealth will be.

The following chart shows the investment you would have accumulated after 20 years if you invested an initial amount of \$1,000, plus \$250 each month into a regular investment plan. It also shows the amount you would have if you invest over shorter time periods.

Start investing early



Source: Zurich Investments. Assumes earning rate of 5%pa.

How Zurich Investments can help you build your wealth

Zurich Investments has a range of managed investments and a superannuation fund that allows you to invest regularly through a regular investment plan, or you can simply invest a lump sum. You can also access Zurich Investments through numerous platform operators.

For more information please ask your financial adviser or call Zurich Investments on 131 551, or visit our website, www.zurich.com.au.

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