SOUND STRATEGIES

The benefits of dollar cost averaging

Dollar cost averaging involves investing a fixed amount at regular intervals (regardless of market conditions) rather than a large sum all at once. By doing so, you reduce the risk that you are putting all of your money into an investment at the wrong time — such as when the price is at its highest. By investing a set amount of money periodically over time, this strategy lets you take advantage of market volatility to possibly provide a lower overall cost per unit. It sounds complicated but it's actually a very simple and powerful concept, especially in times of market turmoil.

How dollar cost averaging works

The following example shows the difference between investing $5,000 in one lump sum vs. investing regularly over a five-month period.

		Melissa		Joe	
Investment date	Cost per unit	Amount invested	Units bought	Amount invested	Units bought
January 1	$500	$1,000	2	$5,000	10
February 1	$250	$1,000	4	$0	0
March 1	$200	$1,000	5	$0	0
April 1	$250	$1,000	4	$0	0
May 1	$500	$1,000	2	$0	0
Totals		**$5,000**	**17**	**$5,000**	**10**
Average cost per unit during those 5 months $340		Melissa's average cost per unit $294		Joe's average cost per unit $500	

This is a hypothetical example for illustrative purposes only. It is not based on any particular investment. Investments will fluctuate and when redeemed, may be worth more or less than originally invested.

By investing a set amount each month, Melissa is able to buy more units when the cost is low and fewer units when the cost is higher. Although both Melissa and Joe both invested the same amount overall, Melissa's cost per unit is lower when averaged out over the entire five-month period. While this may not be the case every time, dollar cost averaging can be a powerful tool that helps ease the emotional roller coaster of investing and lets you take advantage of market fluctuations.

Not a deposit – Not FDIC/NCUA insured – Not insured by any Federal government agency – Not guaranteed by any bank or credit union – May go down in value

Insurance products issued by:
Minnesota Life Insurance Company

4078650

Available with your variable annuity

The DCA (Dollar Cost Averaging) Fixed Account is available for automatic monthly dollar cost averaging (transfers) of new contributions into the variable investment options over a 6- or 12-month period. Additional contributions made during the original period will be transferred over the remainder of that period.

More information on dollar cost averaging

- Dollar cost averaging does not guarantee a profit or prevent a loss in declining markets. Since dollar cost averaging involves regular purchases, regardless of fluctuating price levels, consider your ability and willingness to continue to make investments.
- The guarantees provided by the DCA Fixed Account are based on the financial strength and claims-paying ability of Minnesota Life. The guarantees have no bearing on the performance of the variable investment options. It is possible to lose money investing in the variable investment options.
- In the event of a withdrawal or surrender, the amount you receive may be less than your principal, due to the application of a deferred sales charge.
- The DCA Fixed Account is excluded from any automatic rebalancing programs that you may establish.
- The DCA Fixed Account includes a minimum guaranteed interest rate that will apply for the life of the contract. Generally, the minimum guaranteed interest rate is tied to a U.S. Treasury Index and set at the time of purchase. The guarantee varies by product and by state.

Sound Strategies are published by Securian Financial Group, Inc., and its insurance company subsidiaries. Variable insurance products are sold by registered representatives of Securian Financial Services, Inc., or other authorized broker-dealers (including any others that may be referenced in this piece) who are not a subsidiary of Securian Financial Group.

An annuity is intended to be a long-term, tax-deferred retirement vehicle. Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10 percent federal tax penalty. If the annuity will fund an IRA or other tax qualified plan, the tax deferral feature offers no additional value. Qualified distributions from a Roth IRA are generally excluded from gross income, but taxes and penalties may apply to nonqualified distributions. Please consult a tax advisor for specific information. There are charges and expenses associated with annuities, such as surrender charges (deferred sales charges) for early withdrawals. Variable annuities have additional expenses such as mortality and expense risk, administrative charge, investment management fees and rider fees. Variable sub accounts of annuities are subject to market fluctuation, investment risk and loss of principal.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain charges, such as Cost of Insurance Charge, Cash Extra Charge, and Additional Agreements Charge (which we refer to as mortality charges), and Premium Charge, Monthly Policy Charge, Policy Issue Charge, Transaction Charge, Index Segment Charge, and Surrender Charge (which we refer to as expense charges). These charges may increase over time, and these policies may contain restrictions, such as surrender periods. Policyholders could lose money in these products.

This is a general communication for informational and educational purposes. The information is not designed, or intended, to be applicable to any person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are seeking investment advice or recommendations, please contact your financial professional.

A purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or agency.

Insurance products are issued by Minnesota Life Insurance Company or Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues. Variable products are distributed by Securian Financial Services, Inc., member FINRA. 400 Robert Street North, St. Paul, MN 55101-2098.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its subsidiaries. Minnesota Life Insurance Company and Securian Life Insurance Company are subsidiaries of Securian Financial Group, Inc.

securian FINANCIAL®

PREPARE
PROTECT
SECURE

securian.com

400 Robert Street North, St. Paul, MN 55101-2098
©2021-2024 Securian Financial Group, Inc. All rights reserved.

F57879-94 Rev 12-2024 DOFU 12-2024
4078650