

Illustrations on Regular Investment Plan

June 2021



How do you achieve benefits of Regular Investment Plan?

Let us assume that you set up a standing instruction for 12 months with investment of RM400 in **Principal Greater China Equity fund**

Market Volatility Scenario

Month	NAV per unit (RM)	Monthly Investment (RM)	No. of units credited	Units accumulated
February 2018	1.0207	400.00	391.89	391.89
March 2018	0.9843	400.00	406.38	798.27
April 2018	0.9462	400.00	422.74	1221.01
May 2018	0.9675	400.00	413.44	1634.45
June 2018	1.0006	400.00	399.76	2034.21
July 2018	0.9692	400.00	412.71	2446.92
August 2018	0.9696	400.00	412.54	2859.46
September 2018	0.9664	400.00	413.91	3273.37
October 2018	0.9651	400.00	414.46	3687.83
November 2018	0.8775	400.00	455.84	4143.67
December 2018	0.9053	400.00	441.84	4585.52
January 2019	0.8662	400.00	461.79	5047.30
Total		4800.00		5047.30

With Regular Investment Plan

Total Principal investment (RM400 x12 months)

= RM4,800

Total units accumulated

= 5,047.30

Average Cost per unit

= RM0.9510

Without Regular Investment Plan

Total Principal investment

= RM4,800 (lump-sum investment in Feb'2018)

Total units accumulated

= 4,702.66*

Average Cost per unit

= RM1.0207

Note :

The above scenario is simulation of unit trust fund.

**Total Units Accumulated $RM4,800/1.0207= 4,702.66$*

How do you achieve benefits of Regular Investment Plan?

When the markets are uncertain and rough, regularly investing in small amount may be beneficial to investors. It gives a lower risk profile by helping to smooth out high and lows of unit prices.

During the 12 months in the scenario, you will manage to accumulate a total of 5,047.30 units at an average cost of RM0.9510 units. Conversely, if you invested at one lump-sum in the month of February 2018, you will have lesser accumulated units of 4,702.66 units and higher cost of RM1.0207 per unit.

As demonstrated in the illustration, disciplined investments over an extended period of time will ultimately lower the average cost per unit of purchase. It allows your portfolio to grow steadily with no market timing involved, and not losing sleep when the market is experiencing downturn.

Thank you!