



BUILDING WEALTH WITH PREDICTABILITY

How Systemic Contributions Have the Potential to Create Long-Term Success

Wealth is maximized by focusing on more than making the right investments—your portfolio may also have the potential to be powered by consistently contributing to your financial plan in a way that minimizes risk and keeps you on track for the future. One of the most effective ways Azura helps our clients achieve this is by creating a periodic investment plan through systematic contributions, the practice of regularly adding to your investments over time.

Systematic contributions take the guesswork out of investing. By establishing a plan for regular contributions, you can infuse an element of predictability in your portfolio value, without being swayed by short-term market movements. This approach minimizes the need to react emotionally to market volatility and allows for the potential for a steady accumulation of wealth. At the core of this strategy is a focus on staying invested—an approach that is essential for avoiding the common pitfalls of trying to time the market.

In this article, we'll explore how systematic contributions can help mitigate risk, enable dollar-cost averaging and position you for long-term success without the pressure of emotional investing or market timing. As a reminder, dollar cost averaging does provide an easy disciplined way to investing; however, it does not assure a profit nor protect against loss in a declining market. Also, using this investment strategy involves continuous investment in securities regardless of fluctuating price levels of securities. Therefore, investors should consider their financial ability to continue purchasing through periods of low-price levels.

I. What Are Systematic Contributions?

Systematic contributions refer to the practice of contributing a set amount of money to your investments on a regular schedule—*e.g.*, daily, weekly, monthly, etc. This strategy envisions consistently adding to your portfolio, regardless of market conditions. It's a long-term approach to investing that removes the emotional decision-making that, for many of us, naturally surfaces from market conditions and may lead to market timing instead of maintaining a stable, predictable flow into your portfolio.

II. Dollar-Cost Averaging: A Positive Result of Systematic Contributions

When you regularly invest through systematic contributions, you naturally take advantage of



dollar-cost averaging. This means that by investing the same amount at different times, you buy more shares when prices are low and fewer shares when prices are high, which weights your purchases towards lower valuations. Over time, this reduces your average cost per share, which embeds larger gains when markets uptick. A common example is 401(k) accounts, where most investors contribute a fixed percentage of salary on a semi-monthly basis.

III. Benefits of Systematic Contributions

There are several reasons this is the starting point of conversations with almost all of our clients:

- *Predictability and Discipline:* Systematic contributions may make it easier to stick to your financial plan because they introduce regularity to your investing. You know exactly how much you're investing and when, which helps reduce anxiety around market volatility.
- *Risk Mitigation:* By contributing regularly, you reduce the risks associated with trying to time the market. You invest at both the highs and lows, smoothing out the impact of sudden price movements and avoiding the risk of making large investments during peak market periods.
- *Long-Term Focus:* This approach reinforces a long-term investment mindset. Since you're contributing consistently, you can stay focused on your goals without worrying about the daily fluctuations of the market.

IV. Avoiding the Risks of Market Timing

One of the biggest risks in investing is trying to time the market—attempting to buy low and sell high. Numerous studies have shown that even professional investors struggle with this strategy, often missing the market's best-performing days. If you are investing for the long term and hoping to potentially beat inflation, Systematic contributions help you avoid this risk by ensuring you're always invested, no matter how the market moves.

V. How Azura Helps Clients with Systematic Contributions

At Azura, we set up tailored, automated plans for our clients, making systematic contributions seamless and stress-free. By automating your regular contributions, you can focus on your long-term goals, which we handle the details and can adjust as needed. Our open architecture model allows us to choose from a wide array of products and strategies, helping ensure that your investments work for your specific financial situation.



VI. Conclusion: Building Wealth with Predictability

Systematic contributions are a simple but powerful way to potentially grow your wealth over time. By making regular investments and leveraging dollar-cost averaging, you have the potential to minimize risk, stay disciplined and avoid the pitfalls of trying to time the market.

At Azura, we help our clients stay focused on their long-term financial goals, using strategies like systematic contributions to help ensure their portfolios thrive for the long haul.

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