



Market volatility – take advantage of the opportunities



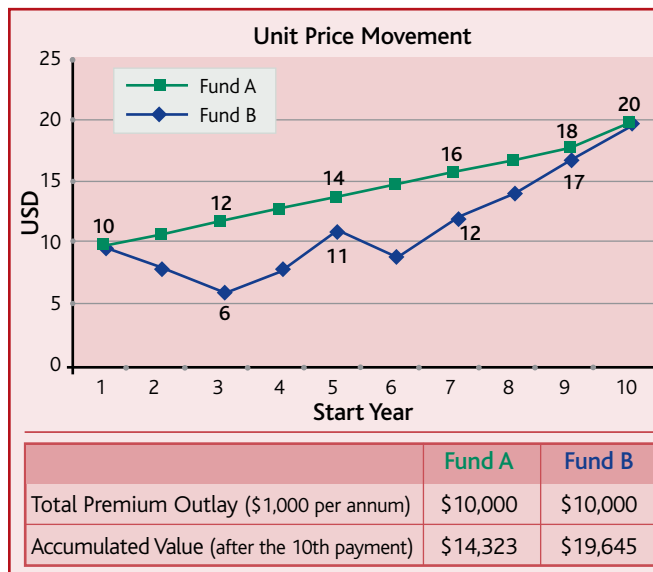
Dollar cost averaging can improve returns in turbulent times

In times of falling equity values the natural urge for many investors is to redirect regular investments to safer, less risky funds. But, for regular investors, falling values may actually be a good thing over the medium to long-term.

Riskier funds are more likely to experience significant price fluctuations over an extended period. As prices drop, consistent savers can buy more units for their dollar. Over the medium to long term, if and when the value of these units recovers, the regular saver can reap the rewards.

Consider the price movements on two equity funds, Fund A being a more stable fund and Fund B being a more volatile fund. The chart shows the accumulated value of an annual investment of USD1,000, along with the unit price at the time each of the annual investments were made.

Lower unit prices available under Fund B over the period mean that investors benefit by being able to purchase more units in Fund B with their regular investments, than they would in Fund A. As all units are worth the same at the end of the period, Fund B investors benefit from its volatile experience.



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Notes

- The fund prices used in the example above are for illustrative purposes only and are not based on past performance. Actual experience will be different. Because of the general nature of varied investments and possible exchange rate fluctuations, the value of investments and the yields from them may go down as well as up.
- While regular investors may gain from volatile price movement, this is not guaranteed. In particular, in the event of sustained decline in fund prices, losses are likely.
- When investing in volatile funds, it is important to have a medium to long-term investment horizon. This enables the investor to invest through both good and bad periods of performance. Generali International's products are designed with this type of investment horizon in mind.
- The example above assumes single priced funds i.e. the price at which units are bought and sold is the same.

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