

# Dividend Reinvestment Plan (DRIP)



**A Dividend Reinvestment Plan (DRIP) is a program offered by companies that allows shareholders to automatically reinvest their cash dividends into additional shares of the company's stock. Instead of receiving cash payments, shareholders who participate in a DRIP will receive additional shares of the company's stock based on the amount of dividends they would have received.**



Benefits of DRIPs include:

**Compounding Returns:** Reinvesting dividends allows shareholders to purchase additional shares, which can lead to compounding returns over time. This can accelerate the growth of an investment portfolio.

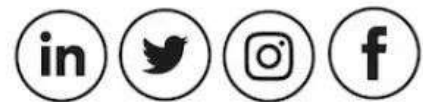
**Cost-Effective:** DRIPs typically allow shareholders to reinvest dividends without paying brokerage fees or commissions, making them a cost-effective way to increase their holdings.

**Dollar-Cost Averaging:** DRIPs provide a way to practice dollar-cost averaging, as dividends are reinvested at regular intervals, regardless of market conditions.





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