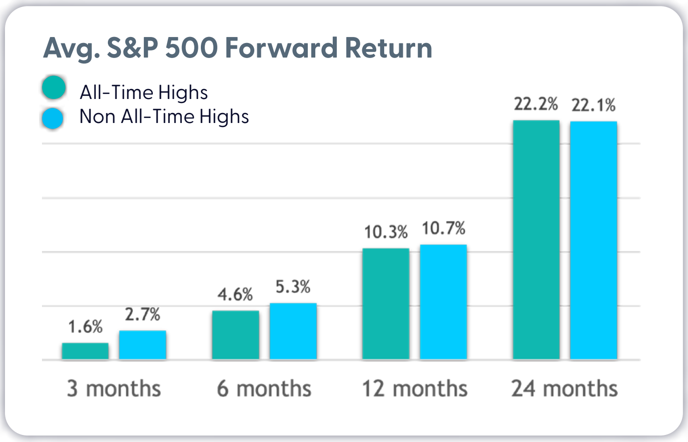
Drip Feed or All In: What the Data Actually Says

Cash sitting on the sidelines feels safe, but the data says it rarely is. Markets have a long history of trending upwards, so waiting to deploy is a drag more often than it's a shield. Vanguard research found that a lump sum beats a 3-month phase-in nearly 60% of the time, and the odds only worsen the longer that phase-in drags on.



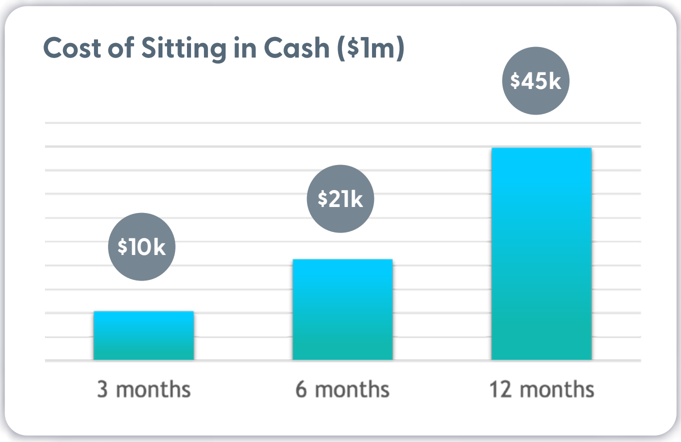
Source: Factset, 21 August 2026

Methodology

Avg. forward return from every S&P 500 record-high day vs every other day, at 3/6/12/24 months out, averaged by group.

Summary

All-time highs aren't a warning sign. Returns after a record high track non-record days closely, and by 24 months they're nearly identical.



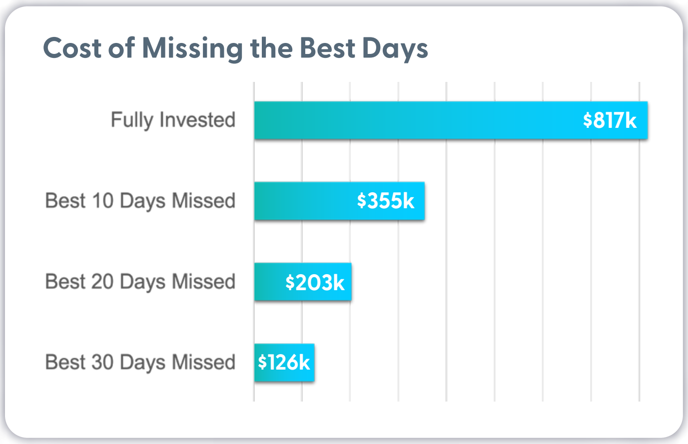
Source: Factset, 21 August 2026

Methodology

$1m lump sum. Cash return at a flat 5% p.a. yield, market return at 9.5% p.a. (Avg S&P 500 CAGR since launch).

Summary

Cash sitting idle costs more the longer it sits. Twelve months in cash gives up over four times the opportunity cost of three months.



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The biggest risk, is what phasing-in slowly exposes you to: every month spent partly in cash is a month you could miss one of these days. Missing just 10 of the market's best trading days more than halves your end value.

> **"Far more money has been lost preparing for corrections than in the corrections themselves."**
>
> *- Peter Lynch*

Conclusion

The evidence points one way: lump sum investing outperforms phasing in more often than not. Cash held back carries a measurable cost that compounds over time. Entering the market near a high shows no meaningful difference in long-term outcomes. And the data that matters most is which days you're invested for, not when you invested. On balance, the evidence favours getting invested and staying invested over waiting for the perfect entry point.