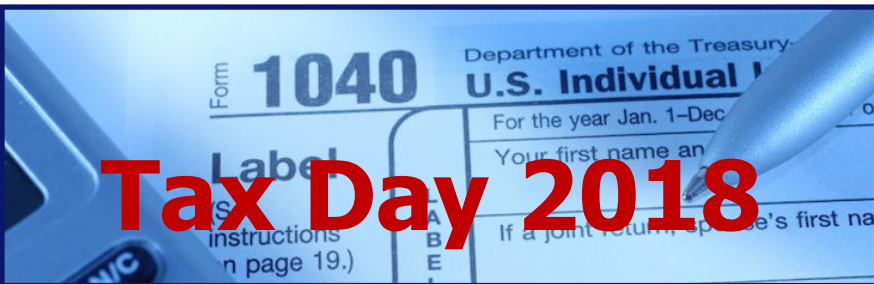




Alton Securities & Asset Advisors

April 2018



Don't forget that the deadline for filing taxes for the 2017 tax year is Tuesday, April 17, 2018.



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Given the increased market tumult, this is an opportunistic time to schedule your annual portfolio review.

Call our office today to schedule an appointment with your financial advisor.

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Staying the course

Strategies to help you maintain confidence through all types of markets

Daily market fluctuations highlight why a combination of discipline and perspective is key to reaching your investment goals. One way to achieve this fine balance is by having a plan and sticking to it through all types of market conditions. This may sound easy, but investors have been put to the test in recent years. Veering off course from a carefully thought-out plan can turn a temporary loss of confidence into a realized loss on an investment portfolio.

Here are five strategies that can help you minimize the impact of market fluctuations and help you feel confident about reaching your long-term goals:

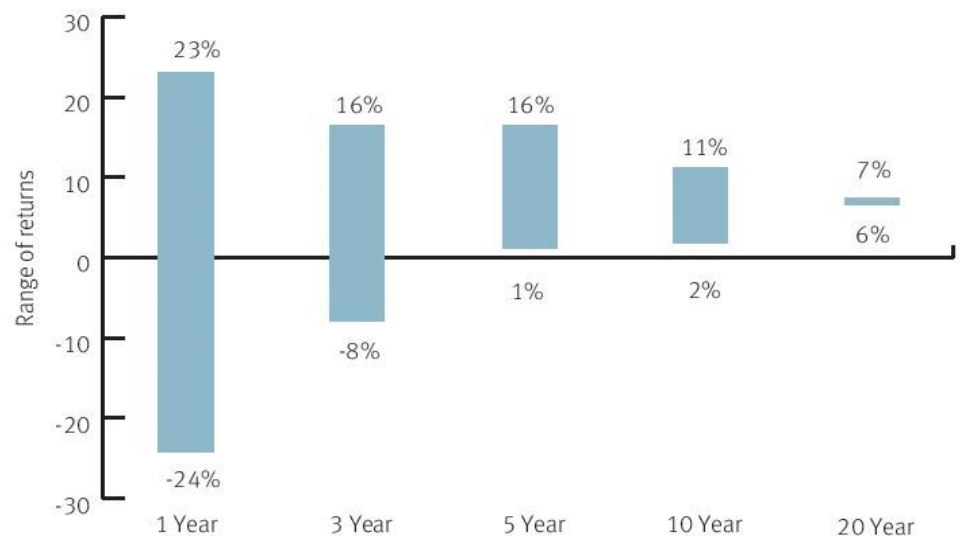
1. Use time to your advantage
2. Maintain discipline
3. Diversify your portfolio
4. Regularly rebalance
5. Invest regularly

1. Use time to your advantage

Investors who maintain perspective and stay mindful of their investment time horizon have a better chance of reaching their investment goals than those who react to short-term market fluctuations.

Staying invested and trying not to “enter and exit” the markets when volatility increases can help reduce fluctuations over the long term. The longer an investment is held in a portfolio, the less chance it has of incurring a negative rate of return. This is because fluctuations in value tend to smooth out over time as the impact of market volatility diminishes. Moreover, years of strong equity markets can outweigh periods of decline, resulting in long-term returns that outperform other asset classes.

The volatility of a diversified portfolio decreases over time



Source: Bloomberg, RBC Global Asset Management.

Rolling 1-, 3-, 5-, 10-, 20- and 30-year average annual returns from January 1990 to December 2016.

Based on a diversified portfolio of: 45% bonds (DEX Universe TR Index), 20% U.S. equity (S&P 500 TR Index), 20% Canadian equity (S&P/TSX Composite TR Index) and 15% international equity (MSCI World TR Index).

2. Maintain discipline

Reacting to short-term market “noise” by making dramatic portfolio changes, like moving in and out of the markets, can have a negative impact on achieving your long-term investment goals. History shows that by maintaining discipline and perspective during market downturns, a patient investor will often be the one rewarded when markets return to an upward path.

As market volatility increases, investors have a natural tendency to want to move into safer investments, hoping to avoid further losses. However, this move can result in needlessly locking in losses on investments that, given time, are likely to recover. A key to overcoming this emotional reaction is to refrain from trying to time the market. Selling at the wrong time and missing just a few days of a market recovery could have a significant long-term impact on your portfolio.

3. Diversify your portfolio

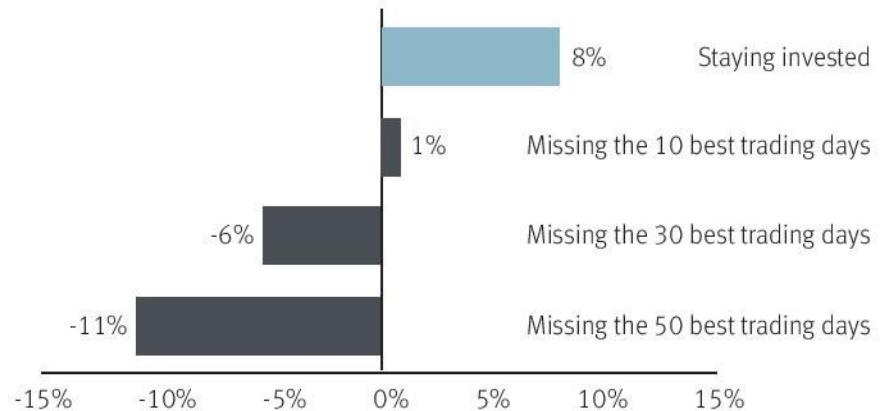
Diversification, long considered the golden rule of investing, remains key to reducing portfolio volatility and risk.

Diversification means including in your portfolio a combination of investments from different asset classes, including cash, fixed income and equities, as well as different industry sectors, geographic areas and investment styles. Financial markets do not move in concert with one another and individual asset classes will perform differently in any given year. At any time, one asset class may be leading the market, while the others lag.

Diversification can help reduce the impact of market volatility on your overall portfolio by combining assets that react differently to changing market conditions. As the chart to the right shows, it can be difficult to predict which asset classes will lead the market each year and which ones will underperform.

Why it's best to stay invested

Missing just the 10 best days in the market over the past 10 years would have reduced returns significantly.



Source: Bloomberg, RBC Global Asset Management.

Based on annualized returns of the S&P/TSX Composite Index for 10 years ending December 31, 2017.

No single asset class consistently leads the market every year

2013	2014	2015	2016	2017
US small cap 38.8%	US large cap 13.2%	Fixed income 0.6%	US Small Cap 19.5%	EM Equities 25.5%
US large cap 33.1%	Fixed income 6.0%	Cash 0.0%	US Large Cap 9.7%	Int'l equities 17.2%
Int'l equities 23.3%	US small cap 4.9%	US Large cap -1.1%	EM Equities 8.6%	U.S. large cap 12.5%
EM equities 2.3%	Int'l equities 4.5%	Int'l equities -3.3%	Fixed Income 2.7%	U.S. Small cap 9.9%
Fixed income 2.0%	EM equities 1.8%	US small cap -5.7%	Cash 0.0%	Fixed income 3.1%
Cash 0.0%	Cash 0.0%	EM equities -17.0%	Int'l Equities -1.9%	Cash 0%

Cash	3-month Treasury	Fixed Income	Barclays Agg.
US Large Cap	Russell 1000	US Small Cap	Russell 2000
Int'l Equities	MSCI EAFE	EM Equities	MSCI EM

Source: RBC Wealth Management.

4. Regularly rebalance

Market fluctuations can often cause a shift in how your assets are divided in your portfolio (also known as asset mix drift), leading to a very different asset mix — and investment experience — than originally intended.

Rebalancing is one of the more effective ways to stay on track to reach your investment objectives. Not only does it help keep your portfolio aligned with your investment goals, it also gives you the opportunity to lock in gains from one asset class and redeploy them to other asset classes that have become relatively inexpensive. Investment options like RBC portfolio solutions are regularly rebalanced and adjusted tactically to take advantage of shorter-term opportunities without losing sight of the long-term strategic allocation.

5. Invest regularly

Investing a fixed amount on a regular basis ensures that your investment strategy remains a priority through all types of market conditions.

By contributing smaller amounts of money to an investment plan on an ongoing basis (bi-weekly, monthly), regular investing acts as an anchor to help you maintain discipline when market conditions become volatile.

Regular investing also provides the opportunity to help smooth out returns over time, ultimately reducing overall portfolio volatility. This is achieved because investing a fixed dollar amount on a regular basis gives you a chance to buy more investment units when prices are low and fewer units when prices are high, thereby producing a more level investing experience over the long term.

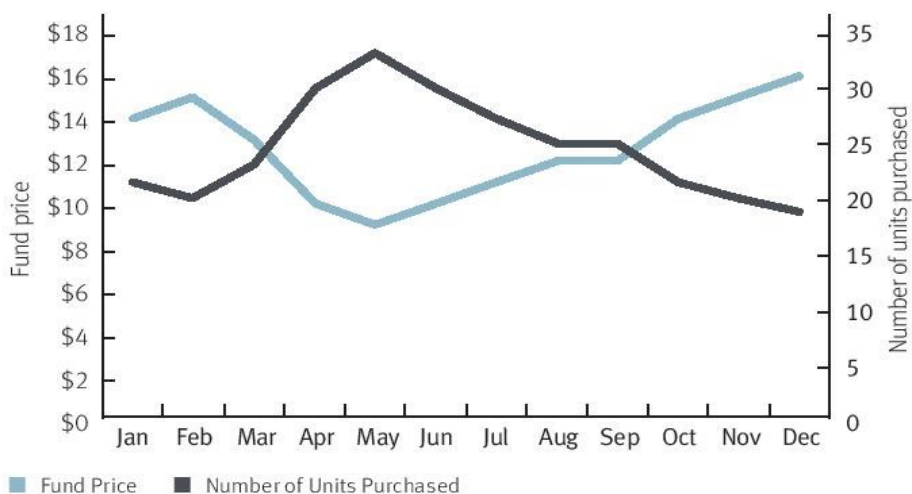
The impact of portfolio drift



Source: RBC Global Asset Management.

Investing regularly in a fluctuating market

\$300/Month for 12 months



Source: RBC Global Asset Management.

Where do you go from here?

The five strategies outlined above can help you stay focused and feel confident about reaching your long-term investment goals. Talk to your advisor about these strategies to help ensure you stay the course and maintain confidence through all types of markets.

Recipe Corner

Looking for a dessert for a family dinner or a potluck? This is a recipe that everyone will love.

Pineapple No-Bake Cheesecake Dessert

1 can (20 oz.) Crushed Pineapple in Juice, undrained

1 pkg. (3.4 oz.) Jell-O Vanilla Instant Pudding

1 tub (8 oz.) Cool Whip, thawed & divided

2 pkg. (8 oz. each) Cream Cheese, softened

1/3 cup Sugar

1 Angel Food Cake (10 oz.), cut into 1-inch cubes *

Strawberries (optional)

Whisk pineapple and dry pudding mix in a medium bowl until blended. Stir in 1 cup Cool Whip. Mix cream cheese and sugar in a large bowl until blended. Gently stir in remaining Cool Whip. Place half of cake cubes in 9-inch springform pan; top with a layer of cream cheese mixture and remaining cake cubes. Cover with pineapple mixture. Refrigerate 4 hours. Remove rim from pan. Serve dessert topped with strawberries, if desired.

* Michelle prefers the dessert using a home baked angel food cake versus a pre-made one from the store.

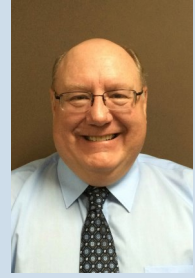
Recipe courtesy of www.kraftrecipes.com.

—Tried and approved by Michelle Cline.—





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