

LARA AUSTIN MINDING MONEY

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Wealth Management
Dominion Securities



For the friends and clients
of Lara D. Austin,
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New year, new (market) emotions

At the start of a new year it is inevitable that market and investment prognosticators will be tempted to give their thoughts on what 2019 will bring.

In the first two weeks of January, I was bombarded with more than two dozen conference call offers to hear “our take on [fill in the blank].” Money managers and asset allocation strategists pitched presentations, probably thinking now would be a great time to escape the East Coast for our milder climate. Even our local Chamber of Commerce hosted an Economic Forecasting Breakfast. Every January, I spend considerable time listening to various experts’ opinions. These opinions often conflict or differ enough that the path forward is never crystal clear. Yet, there are always insights and experiences that make attending many of these presentations and conference calls worthwhile.

This year, it was evident that the last three months of 2018 shook investors. According to the Investment Funds Institute of Canada, the Canadian mutual fund industry saw negative net sales of \$7.9 billion in December, a further deterioration from the \$2.4 billion in negative net sales recorded in November. This is important data to watch because it shows us the points of peak capitulation (panic

selling) and greed (see p.3 for a fascinating infographic on the cycle of market emotions!). We also know that money doesn’t start flowing back into the market until far into a recovery—meaning that most investors miss the most opportune time to be invested.

Are there troubled waters ahead? Most certainly. This is a great time to “quality-up” your holdings, be purposeful with sector exposures, watch your allocations to regions (e.g. Canada, US, global), and be mindful of currency influences. There is an opportunity if you know where to look and maintain a proven discipline. While doing this, keep in mind your needs for any regular income, lump-sum expenses (such as a wedding, new roof, or car), and currency exchanges (snowbirds), taking into account your risk tolerance and ethical considerations.

We are making no changes to our schedule of regular reviews this year. Una will call to book your review meetings at the appropriate interval. However, if you need to talk through any concerns, please know I’m happy to help—both existing clients and anyone who is thinking about becoming a client of mine!

All the best to you and yours in 2019,

Lara D. Austin

WIN a copy of the Official Money Guide for Couples!

When I first met my husband 27 years ago, I wished there was a guide to help us understand how to communicate with each other about money. It may certainly have helped us avoid a few arguments! I would have been delighted to be handed a simple, easy to understand guide that gave us insight into handling money basics as a team.

I've been following Susan Beacham, an American personal finance expert known as "Mrs. Money," for years. She specializes in financial literacy for children, and her resources have proven invaluable. I was excited to discover she recently launched a guide for young adult couples (she has already published guides for teenagers and college students). It includes 10 chapters on topics such as creating a plan together, the cost of home ownership, and protecting your joint identity.

I ordered the *O.M.G. Official Money Guide for Couples* for myself and five EXTRA copies (\$35 value each, taking into account currency exchange and shipping). **The first five people to email me at lara.austin@rbc.com with 'Money Guide' in the subject line will get a copy for FREE!** This would make a great gift for an adult child in a relationship.

Learn more about the guide at www.moneysavvy.com/assembled/omgp.html



The first five people to email me with 'Money Guide' in the subject line will win a copy of the latest guide by the founders of Money Savvy Generation.

A message from the authors:

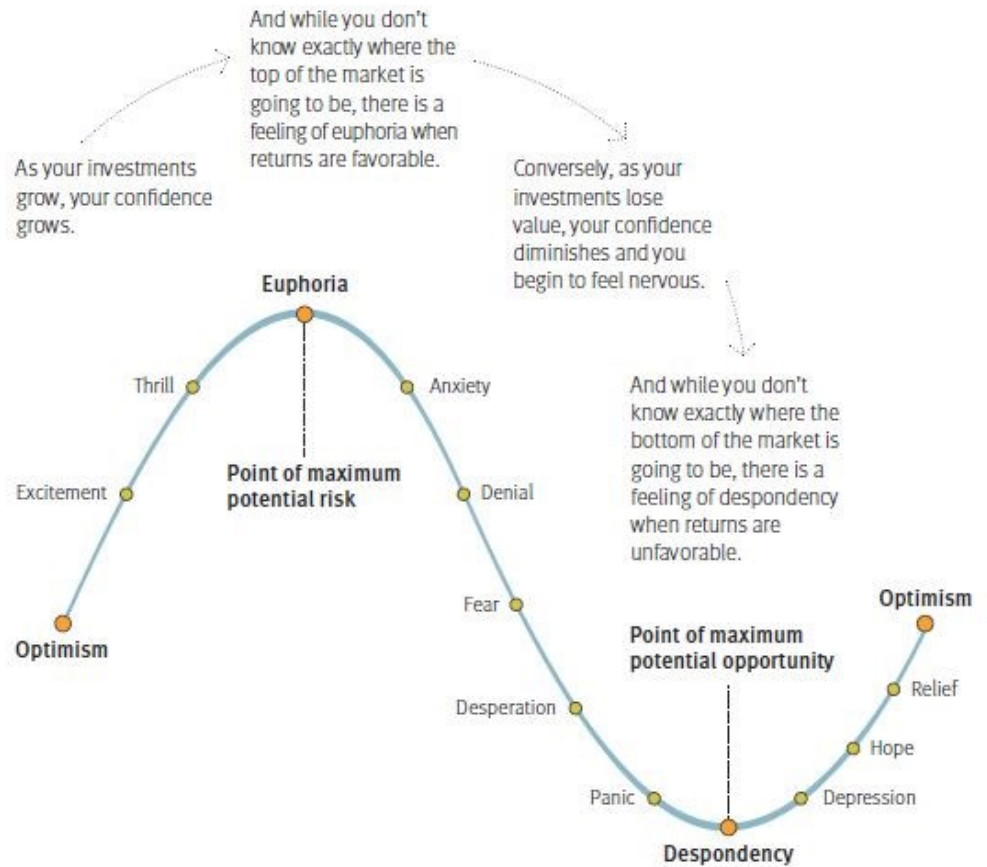
"Creating rock-solid finances doesn't happen overnight. It's a journey down a winding path lined with financial transactions and accounts. A path on which you will walk, talk, set goals, plan, save, spend, invest, track, have successes, make mistakes and try again. On this path you will figure out what works best for you and your circumstances. At the end of

this path is a solid foundation for a happy financial future spent together.

Our advice will help you navigate this path. We give you practical tips for designing, negotiating and operating a harmonious financial life. This book will get you off on the right start. If you each read this book and follow the advice, you will face much less stress in your new life as a couple, financial or otherwise."

The cycle of market emotions

By following a disciplined approach, you can avoid the pitfalls of emotional investing.



EXTREME EMOTIONS—Human emotions drive financial markets as much or more than market fundamentals. A diversified portfolio can help protect you from the extreme highs and lows of market volatility, which in turn can help prevent you from feeling the extreme emotions as your portfolio expands and contracts.

Improve your tax experience

The days of long, printed tax documents are almost over.

Effective this year, RBC Wealth Management clients can now receive their 2018 tax reporting documents online via eDelivery!

Regardless of the advances online, we are always here for you should you need help compiling your tax

documents. A friendly reminder: if you wish for us to work with your accountant directly, please ensure we have an Authorization Letter on file.

If you opt-in for eDelivery you **WILL** receive:

- **An email alerting you when your tax documents are ready.** This will prompt you to log into

your secure DS online account and look for your tax documents. Tax documents are **NOT** contained in the email.

- A new **itemized Title Page** with a list of the forms you can expect to receive.
- **One comprehensive checklist** that lists the documents/tax slips

Continued on p.4

included in the T5/R3 tax package, and another checklist for outstanding tax documents they may receive later during the tax season, either from our firm or third parties (one per account).

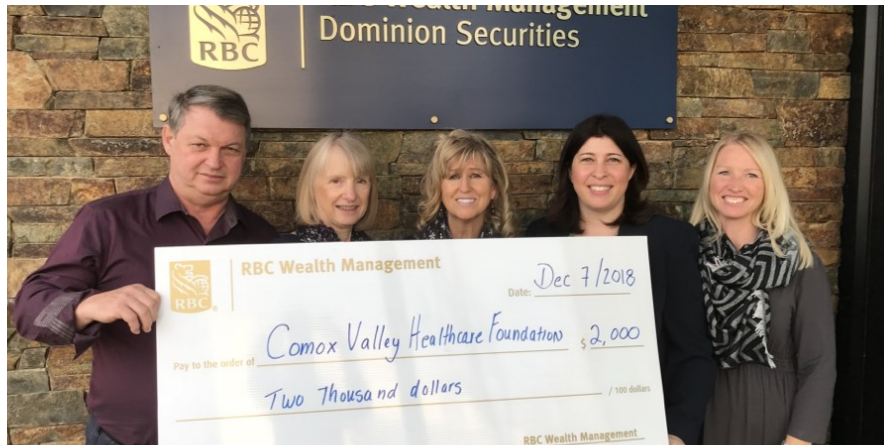
- **An updated fee summary letter.**

In the past, tax fees were presented as a lump sum on the fee summary page. Now, they'll be broken down to identify how much is allocated to GST, QST and HST.

- **T1135 forms.** Accounts who own foreign assets with a total of more than \$5,000 at any month-end during the year will automatically receive a Foreign Securities Report in their tax package (by mail or online). Please note: you only file a T1135 if your foreign assets exceed \$100,000 CDN. As you may have foreign assets other than your RBC DS held assets (like time shares, property or other investment accounts) the sum of ALL foreign

Did you know you can find RBC's Tax Reporting Guide online? Accessing the guide online can help us eliminate the environmental impact of printing and mailing more than **400,000 guides** each year! The guides are available on our external site, www.rbc.com (click on 'Tax Reporting Guide' on the bottom left of the page).

COMMUNITY



A HEALTHY DONATION—Quality health care is important to all of us in the Comox Valley, which is why we contributed \$2,000 to the Comox Valley Healthcare Foundation in December. Learn more about how the CVHF enhances the well-being of our community at cvhealthcarefoundation.com. Pictured, from left to right: Phil Shute, Donna Viklund, Lynn Dashkewytch, myself, and Una Guile.

assets are used to determine if you need to file the Foreign Income Verification Statement.

What you **WON'T** receive electronically:

- RIF evaluation letter, US tax packages (1099/1042S) impacting PC USA clients, and the slips issued by third parties are not available for eDelivery.
- Client tax guides (see sidebar at

left). These will be available in branch, online, or by request. If you have NOT opted in for e-Delivery, you will continue to receive your tax slips by paper mail—even if you are a DS ONLINE active user.

Opt-in for eDelivery by logging in to your RBC DS Online account, or by signing a form that Una can provide you. Don't hesitate to email una.guile@rbc.com for assistance!



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