

# Wealth of Life



Wealth Management  
Dominion Securities

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## Santa's just around the corner

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My granddaughter, Summer, asks for the same story every time I put her to bed, especially now that Christmas is fast approaching: "Tell me about the time Santa was just around the corner." Well, I was around four years old and I asked my mother when Santa was coming and she told me that Santa was just around the corner. And what did I do? I went outdoors and proceeded to go around the house a number of times, expecting to find Santa at every turn. Finally I gave up, frustrated and disappointed, and I went crying to my mom. She asked what was wrong thinking I must have hurt myself. I told her I couldn't find Santa, that he wasn't around any of the corners of the house. Well after she and a friend stopped laughing she explained that "just around the corner" was an expression meaning soon. I essentially had misinterpreted what she said and made an assumption of what I thought it meant.

I bring this up because with all the negative press around the recent market volatility, I think a lot of people are making assumptions about the markets and the economy. There is a saying in our industry that the stock market has correctly identified 15 of the last three recessions, meaning the market isn't a reliable leading indicator of the economy. It is in these volatile times though that our emotions can get the better of us and negatively affect our portfolio long term. What has always stood the test of time is having an asset mix that suits your volatility tolerance, owning good blue chip dividend stocks,

and sticking to your discipline. This has and always will be the best approach to investing.

Speaking of assumptions, am I the only one who thought that a sunny July, August, and September would mean a long and beautiful fall season? I left all my fall chores until November so I could enjoy the woods in October and now my winter wood is still not in.

Now, let's get to this issue of wealth of life. We have a great article from Rheel Jaillet, owner of Fitworks in Dieppe. Rheel and his wife, Michelle, have a great youth biking program called the Fitworks Nextgen Mountain Bike Team that he is going to share with us. I have known Rheel for a number of years and he is an awesome man and great business owner.

We also have another team member to introduce, Ryan Reid. Ryan is a Chartered Professional Accountant and joins us from a local accounting firm. Ryan will be in a role very similar to Jessica, directly supporting Jeff and Phil with the families they look after.

We'll also give a brief review of the new e-tax reports that RBC Dominion Securities now offers. Lastly, we've included an article on emotions and long-term investing, emotions being the biggest risk to a portfolio, not the markets.

On behalf of the team, have a wonderful Christmas season with your family and friends. Thank you for entrusting us with your financial well-being. We hope you have an awesome 2019.

# What the Fitworks Nextgen Mountain Bike Team is teaching kids

Children love cycling. It's fast, fun, helps them learn skills and, most of all, gives them the feeling of freedom and independence – perhaps for the first time in their young life – that will follow them for ever.

For us (Rheal Jaillet, owner of Fitworks and my wife, Michelle LeBlanc, Account Manager at the Business Development Bank of Canada), developing kids who are interested in cycling and want to get to the next level is our focus. However, we also base our program on teaching the athletes other important life skills.

## A bit about the Fitworks Nextgen Team and how it works

The team is built with a structured plan to focus on three races during the summer, with five workouts per week from January to August that include off-the-bike strength conditioning, cycling, and yoga or stretching sessions. The schedule is based on two workouts per week which are done as a group and three other sessions that are completed on an individual basis.

Our athletes learn other important skills, such as being on time for practice, managing time and scheduling workouts. We also teach proper nutrition, how to post on social media and tag team sponsors, maintaining a clean bike (it's your tool and must be in good working condition at all times) and respecting coaches, parents, volunteers and event organizers.

## It's all in the family

By the end of our first season, we noticed that more parents were active. They were riding their bikes to practices with their kids instead of taking their vehicles. While we had the training sessions with the athletes, the parents were riding around the park, working out and enjoying themselves. Some of them even joined social rides



during the week and planned camping trips around race weekends. We even had moms, dads and siblings jumping in on the race action to try and keep up.

Cycling is a sport with no age limit that the entire family can enjoy. Here are just a few benefits of cycling: spend quality time with family, explore the outdoors, reduce stress, reduce risk of heart disease, improve mental well-being, improve sleep, boost brain power, strengthen your immune system, grow your social circle and exercise with a low impact on joints. One of the most immediately powerful

benefits is that cycling can make you feel like a kid again.

As coaches, we turn to cycling to educate our athletes on how to be responsible and teach them that the hard work, dedication, discipline and structure that they work on today will help them for tomorrow. Most importantly, we make it enjoyable and ensure everyone is having fun! These are all things that we hope kids will be able to apply and use for the rest of their lives.



Introducing our newest addition to the team

## Ryan Reid

Ryan joined the Tingley Group of RBC Dominion Securities in October 2018 after being employed for four years at a local accounting firm in Riverview. He began his career after graduating with a Bachelor of Commerce degree from Mount Allison University in 2014. Ryan successfully passed the common final exam in 2017 and obtained his CPA designation in 2018.

Outside of the office, Ryan is usually golfing with friends, watching Premier League Soccer or in Cambridge Narrows on the lake. He likes to give back to the community by helping with fundraisers such as Relay for Life. Ryan received the 2013 Mount Allison Student Citizen of the year award for his efforts with Relay for Life and also received an award for his contributions to The Canadian Testicular Cancer Association.

# Electronic tax delivery – now available!

Through DS Online, you can now choose to receive your RBC Dominion Securities tax documents electronically as soon as they become available, instead of waiting for paper copies to arrive in the mail.

Tax documents are available as of the 2018 tax year and will be archived online for seven years, provided your account remains open.

A few key benefits of receiving tax documents electronically include:

- Secure document storage
- Faster delivery time than with mail delivery
- Reduction in the use of paper

#### To enroll for eTax:

- Log in to DS Online
- Go to the “View and Manage Documents” link under the “My Accounts” tab

- Change your view to the “Manage Documents” tab and change your preference to “Electronic” for your account(s)
- Click “Continue” to review and agree to the consent agreement
- Click “Submit” to save changes
- We can send you a notification by email when your electronic tax document(s) is ready. To opt in for eNotifications:
  - Go to “Edit Profile” located under the “My Home” tab
  - Select “Email Address and Preferences”
  - Enter your email address and ensure the boxes beneath it are unticked
  - Click “Update Info” to save changes



If you would like more information, or assistance signing up for eDocuments, please contact us 506-869-5450 and we will be happy to assist you.

TFSA Contribution limit for 2019 has increased to \$6000 up from \$5500 in 2018.

# Avoid making investment decisions based on emotion – it can be costly

When markets are falling and your investments decrease in value, you may become anxious, or worry about what impact it will have on your overall financial well-being (and consequently your retirement). And when markets take a turn the other way and start climbing, you may become a bit over-confident, willing to take on more risk to see your assets grow further. A long-term investment plan is the key to a successful retirement. It requires a disciplined approach because when the value of your investments is in flux, it's hard not to let your emotional side take over.

In today's noise-filled environment, with negative headlines and market volatility, it can be tempting to make short-sighted decisions based on emotions, including staying out of the markets altogether. While selling off your portfolio may make you feel better temporarily, this decision could mean lost opportunity and not achieving your long-term investment goals. Decisions to move out of equities and into cash tend to be made hastily and out of fear and anxiety, as opposed to a disciplined portfolio review that considers how various assets should be allocated to suit investment objectives, risk tolerance and time horizon. From a historical perspective, there have been numerous "crises" over the years that have caused stock markets to pull back. Whether it was the "Tech Wreck" in 2000, 9/11 or the global financial crisis of 2008/2009, the world has demonstrated its resiliency, overcoming and moving forward after periods of crisis, some of which were "unthinkable" when they were unfolding. Historically, stock

markets have mirrored that resiliency, trending higher over time.

These emotions are entirely understandable but acting on them in your investment portfolio can be detrimental. While many investors feel they have to do something during a market downturn, history shows that the disciplined, patient investor will often be the one rewarded when markets return to their upward path. As the chart below shows, major declines have generally been followed by major recoveries.

## Keeping emotions in check

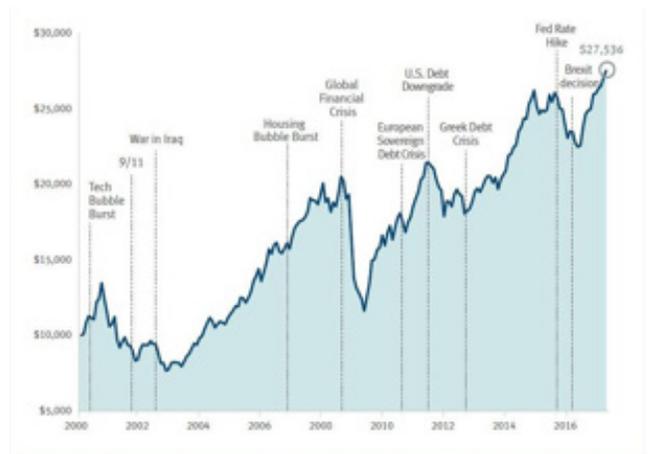
**Value of advice.** It's natural for investors to be anxious during volatile markets, which highlights the importance of having a long-term plan with your advisor. An advisor achieves this by helping you pinpoint your objectives, risk tolerance and time horizon, making it easier to build a portfolio that is tailored to your needs.

**Stick to the plan.** Follow a well-thought-out investment plan that incorporates time-tested strategies such as appropriate asset allocation, dollar-cost averaging and investing in effectively diversified portfolios of stable companies.

**Dollar-cost averaging.** A regular investment plan enables you to build wealth over time while taking advantage of a powerful investment strategy known

as dollar-cost averaging. Dollar-cost averaging refers to investing a fixed amount at regular intervals (e.g. monthly), regardless of market movements. This allows you to purchase more of an investment when prices are low and less when prices are high, thereby potentially reducing the overall average cost of your investments. Although research shows that a lump-sum all-equity investment tends to be the most effective strategy for growth over time, DCA can be an effective alternative if you aren't comfortable investing a lump sum.

In short, doing the research, knowing yourself and how much risk you're comfortable with, and sticking to that plan you came up with, can all help keep your emotions from overpowering your logical thoughts.



The growth of \$10,000 since January 2000. An investment cannot be made directly in an index. Graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results. Performance data as of December 31, 2016. Source: RBC Global Asset Management Inc.



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