



Wealth Management Dominion Securities



Wilson Wealth Management Group RBC Dominion Securities

**Cameron Wilson, CIM, FCSI, CIWM** Associate Portfolio Manager, Wealth Advisor & Financial Planner Cameron.B.Wilson@rbc.com 604-870-7109

Cindy Campbell Associate Cindy.Campbell@rbc.com 604-870-7225

301-2001 McCallum Rd Abbotsford, BC V2S3N5 www.CameronWilson.ca 800-563-1128

# The benefit of a diversified portfolio

The chart (below) ranks the best to worst performing asset classes selected — from top to bottom — for each calendar period shown based on total returns.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EM Equities 51.6%	CDN Equities 17.6%	CDN Bonds 9.7%					CDN Equities 21.1%	EM Equities 28.3%	US Equities 3.8%
US HY Bonds 44.5%	US HY Bonds 14.3%		US HY Bonds 15.4%		Balanced 11.4%		US HY Bonds 14.3%		Global Bonds 1.9%
CDN Equities 35.1%		IIS HV	INTL Equities 14.4%	Balanced 14.2%	CDN Equities 10.6%	Balanced 6.5%			CDN Bonds 1.4%
Balanced 14.4%	US Equities 9.2%	US Equities 4.3%		CDN Equities 13.0%	Global Bonds 9.4%	CDN Bonds 3.5%		CDN Equities 9.1%	Cash 1.3%
INTL Equities 11.9%	Balanced 8.9%	Balanced 1.5%	Balanced 7.9%		CDN Bonds 8.8%		Balanced 6.5%	Balanced 8.8%	Balanced -1.3%
US Equities 9.3%	CDN Bonds 6.7%	Cash 0.9%	CDN Equities 7.2%		EM Equities 6.6%			US HY Bonds 6.4%	US HY Bonds -2.9%
CDN Bonds 5.4%	Global Bonds 3.8%	CDN Equities -8.7%	Global Bonds 5.3%	Cash 1.0%	US HY Bonds 4.3%	Cash 0.6%	CDN Bonds 1.7%	CDN Bonds 2.5%	INTL Equities -6.0%
Global Bonds 1.1%		INTL Equities -10.3%	CDN Bonds 3.6%	Global Bonds 1.0%	INTL Equities 3.7%	US HY Bonds -2.7%	Cash 0.5%	Global Bonds 1.8%	EM Equities -6.9%
Cash 0.4%	Cash 0.4%	EM Equities -16.4%	Cash 0.9%	CDN Bonds -1.2%	Cash 0.9%	CDN Equities -8.3%	INTL Equities -2.5%	Cash 0.6%	CDN Equities -8.9%

Fixed income				Equ				
	DN Bonds (Canadian Bonds)			CDN Equities (Canadian Equities)			Cash	Balanced (Balanced Portfolio)
F	= TSE TMX			= S&P/TSX	= S&P 500 Total		= FTSE TMX	= 55% Equity
	Canada			Composite Total			Canada	/ 45% Fixed
l	Universe			Return Index			30 Day	Income
Bo	ond Index						T-Bill Index	

All performance is in C\$.

Source: RBC Global Asset Management Inc. as of December 31, 2018.

Through graphical depictions of past performance fluctuations, this chart demonstrates the historical trend of alternating leadership in the financial markets, as well as highlights the potential dangers associated with attempts to chase last year's or predict next year's winners.

Cash and money markets Represents performance of cash and money markets in the United States as measured by the Citigroup 3-Month Treasury Bill Index. Money market funds are not federally guaranteed. It is possible to lose money.

## Taxable bonds

Represents taxable investment-grade fixed-rate debt obligations (Treasuries, Agencies, Corporates, Mortgage-Backed Securities, Asset-Backed Securities and Commercial Mortgage-Backed Securities) as measured by the Barclays Aggregate Bond Index.

# High yield bonds

Represents tradable below-investmentgrade fixed-rate debt obligations, including cash-pay, deferred-interest, step-up, payment-in-kind and defaulted bonds, with remaining maturities of at least 1 year as measured by the Credit Suisse High Yield Index.

#### International bonds

Represents tradable investment-grade fixed-rate debt obligations of sovereign governments from 20 developed countries, excluding the United States, as measured by the Citigroup Non-U.S. Dollar World Government Bond Index. Large cap growth stocks Represents stock market performance of those companies in the Russell 1000 Index with an above-average growth orientation based on price-tobook ratios and long-term earnings growth forecasts as measured by the Russell 1000 Growth Index.

#### Large cap value stocks

Represents stock market performance of those companies in the Russel 1000 Index with a below-average growth orientation based on price-to-book ratios and long-term earnings growth forecasts as measured by the Russell 1000 Value Index.

## Mid cap stocks

Represents stock market performance of the 800 smallest companies in the Russell 1000 Index based on total market capitalization as measured by the Russell Midcap Index.

#### International stocks

Represents stock market performance in 21 developed countries around the world, excluding Canada and the United States, as measured by the MSCI EAFE (Europe, Australasia and Far East) Index.

## Emerging markets

Represents stock market performance of companies in 26 emerging countries. Securities in closed markets and those shares in otherwise free markets that are not purchasable by foreigners are excluded.

- Custom asset class blend Allocations are rebalanced to their respective target weightings at the beginning of each quarter.
  - 5% Cash and Money Markets
  - 22% Taxable Bonds
  - 5% High Yield Bonds
  - 13% International Bonds
  - 11% Large Cap Growth Stocks
  - 12% Large Cap Value Stocks
  - 7% Mid Cap Stocks
  - 20% International Stocks
  - 5% Emerging Markets

This commentary is based on information that is believed to be accurate at the time of writing, and is subject to change. All opinions and estimates contained in this report constitute RBC Dominion Securities Inc.'s judgment as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Interest rates, market conditions and other investment factors are subject to change. Past performance may not be repeated. The information provided is intended only to illustrate certain historical returns and is not intended to reflect future values or returns. This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. RBC Dominion Securities Inc.\* and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member-Canadian Investor Protection Fund. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of RO anda. @/ M Trademark(s) of Royal Bank of Canada. Used under licence. @ RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment