



## Continuing Investment Success Requires Expert Market Navigation

**W**ith those who pay too much attention to news reports, the news media succeed – particularly at holding their attention and keeping them scared. This can skew people's perspectives – even to perceive that the sky is falling. As expert investment advisors with experience in seeing trends come and go, and cycles run their course, we recognize credible market experts and economists and pay attention appropriately. This supports our aim always to provide shrewd guidance to individual clients.

### slow and steady wins the race

Phenomena such as crypto-currencies (e.g. Bitcoin) and cannabis stocks seem to be having their heyday, lately, as dot-com stocks did 18 or 19 years ago. The block-chain technology involved in crypto-currencies certainly could last and benefit financial services in years to come. Yet, any heyday is fleeting; often a bubble certain to burst and that leads to unnecessary risk-taking. Consistent, well-informed, balanced investment management more surely leads to long-term success.

### be not afraid

When markets get volatile, people near retirement tend to get scared. When the news stories of the day cast shadows on fundamental things like the future of key industries and the direction of the national economy, even some already comfortably retired may worry. We all notice predictions about real-estate markets, interest rates, and how NAFTA talks could become tricky. Working with an experienced advisor could be critical in these times.

### eyes on the target

Sustainable retirement income from invested assets is essential to comfort in retirement, and must accommodate the fact that the market values of assets inevitably go up and down. The income generated must remain steady for the investor. Following are some of the key points we consider in aiming to achieve that simple objective amid complex conditions.



### household debt, interest rates

Canadian interest rates are expected to rise in the coming year. With the average household debt-to-income ratio now in historic territory, the modest, gradual rate increase must be modest and gradual for borrowers and lenders alike to sustain.

### stock market performance

The Canadian and global stock markets have been performing well, overall, for a decade. Though volatility is unavoidable, if coming interest-rate increases are in fact modest and gradual, and if corporate earnings expectations fulfil reasonable expectations, the outlook for Canadian and global stock markets remains positive. Many companies whose stock trades on US and Canadian markets continue to revise their earnings upward.

### employment

US and Canadian labour markets are healthy, with positive overall employment figures and continued net hiring. Though this may stoke inflation and cause interest rates to rise, lending regulations have been adjusted to reduce risk to both lenders and borrowers. Also, a return to more historically normal interest rates bodes well for household debt reduction and a return to saving. These typically support investment.

### the global economy

Though the US stock market has sustained historically lengthy overall growth, a bear market does not appear on the horizon.

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## Events

RSVP: Please call Annette at 250-657-2222

### Special Event

#### Quarterly Market Update

afternoon tea for men and women

**date:** Thursday April 26th

**time:** 3:00 to 4:00 PM

**place:** Sidney NBF boardroom

Women  
WISDOM + WEALTH  
Together  
With GOLDEN GIRLS

A multi generational event for women in celebration of Mother's Day

Bring your mother, daughter, sister, friend, or just yourself.

Let's share afternoon tea and some special gifts.

#### Sharing Our Lives:

##### How & Why to Have A Family Financial Meeting

– presented by Viola

##### How & Why to Document Your Life Story

– presented by Deborah LeFrank

**date:** Thursday May 10th

**time:** 2:00 to 4:00 PM

**place:** Amica Beechwood Village on Mills Rd. in Sidney

### Retirement Preparation For Men & Women

Back By Popular Demand!

#### Life After Work:

##### How to Create A Sustainable Income Stream in Retirement

**date:** Saturday June 2nd

**time:** 10:00 AM

**place:** Van Isle Marina boardroom on Harbour Rd. in Sidney

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Despite an historic decline in the price of oil, which dampened the Canadian economy, our dollar and overall employment remain healthy. The real-estate market appears to be cooling, which is probably good for the long-term, where the cost of housing is high and rental vacancies quite scarce. Despite the uncertainties of national elections around the world, interest rates expected to rise, and not-yet-known outcomes of trade negotiations, the global economy continues to favour a positive outlook, overall.

#### prepare with expert guidance

When you are retired, the particular years when your investment values go up and the particular years when they go down do affect the overall value of your portfolio. To keep timing and value wisely in perspective, to maintain balance, to manage risk shrewdly, and to keep life relatively comfortable, the guidance of an experienced expert can be invaluable.

#### let your knowledge grow

Please attend your choice of our upcoming events, and bring along a friend. A call to chat with you or somebody you care about would also be welcome. ☀️

sources: Jan/Feb '18 NBF Monthly Equity Monitor and Feb 12 '18 NBF Economics & Strategy Morning Comment

### Did You Know?

- Canada's youth unemployment, all-ages under-employment, and total unemployment rates have been declining overall since 2009. All three are in their lowest range of the last decade.
- Canadian inflation (Consumer Price Index) has remained at or below the Bank of Canada's target range of about 2% per annum since mid-2014.
- The Canadian economy (real Gross Domestic Product) is predicted to grow in 2018 at a modestly healthy rate of 2.5%.
- Global economic growth is expected to occur at a rate of about 3.7% in 2018.
- The current federal budget incorporates the option to wait and see regarding such uncertainties as the outcome of NAFTA renegotiation. Ottawa retains the right and the ability to act adaptively as appropriate.

sources: Statistics Canada, Bloomberg, National Bank Financial Markets Economics & Strategy

**We have prepared this commentary to give you my thoughts on various investment alternatives and considerations which may be relevant to your portfolio.** Therefore, this report should be viewed as a reflection of our informed opinions rather than analyses produced by the Research Department of National Bank Financial. All information comes from sources believed to be reliable but its accuracy cannot be guaranteed. This newsletter is furnished on the basis and understanding that Viola VandeRuyt and NBF are under no liability whatsoever in respect thereof. It is for information only and is not to be construed as an offer or solicitation for the sale or purchase of securities. This newsletter is intended for distribution only in British Columbia, Alberta, Ontario, New Brunswick

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