RBC Investment UPDATE

January 2023 edition

A closer look at market volatility

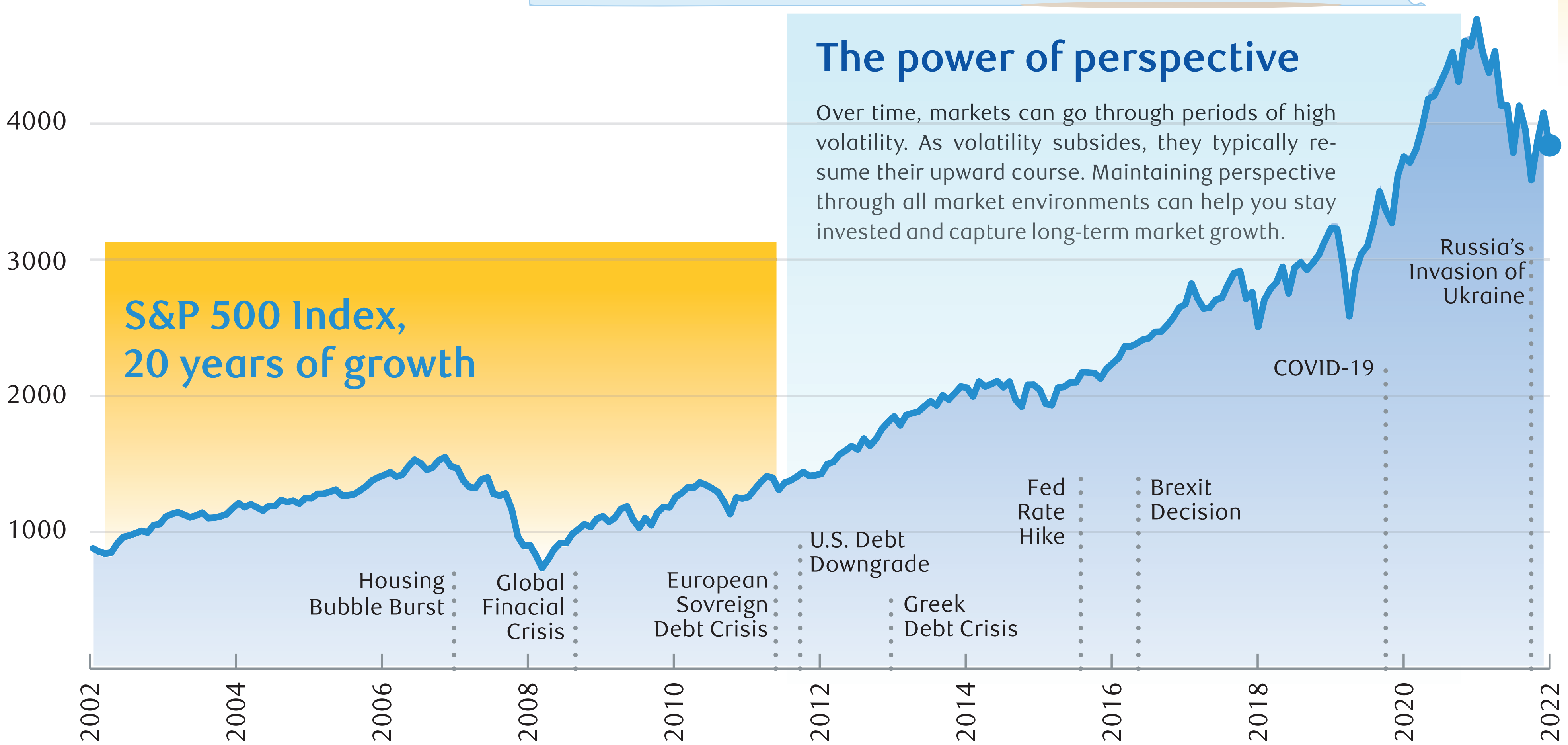
The term 'volatility' is often used with respect to markets. But what does it mean?

In general, volatility refers to the ups and downs of stock and bond markets. The more volatile a market, the bigger its ups and downs.

Over the past year, inflation, rising interest rates, recession risks, and war have all caused higher than normal market volatility. As a result, you may be seeing large shifts in the value of your portfolio. This quarter, we look at what heightened volatility might mean for your investments, as well as strategies to help you stay on track to meet your goals.

The power of perspective

Over time, markets can go through periods of high volatility. As volatility subsides, they typically resume their upward course. Maintaining perspective through all market environments can help you stay invested and capture long-term market growth.



The performance of the S&P 500 Index from January 2002 to December 2022. An investment cannot be made directly in an index. The 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.

Managing volatility

Four ways to help manage volatility

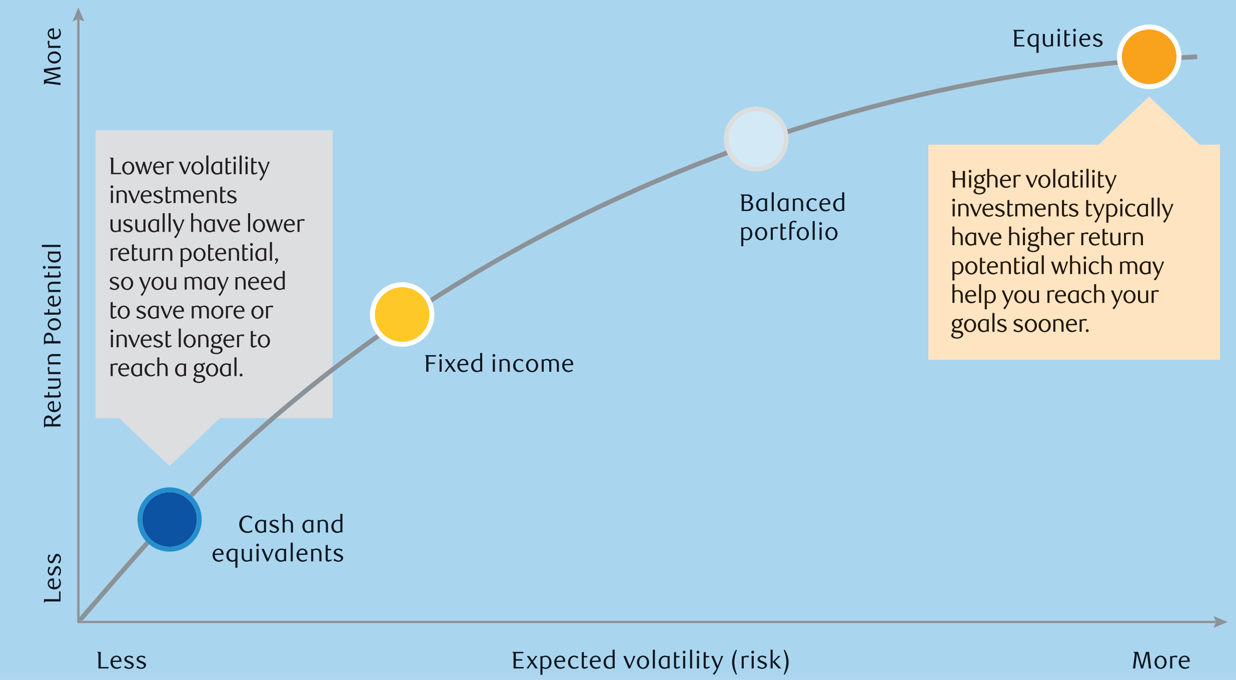
1. **Have a plan:** Set clear goals and time horizons and know how much you need to save or withdraw to meet your needs. Focusing on your plan can help you look past short-term volatility.
2. **Diversify your portfolio:** Diversification, where you hold a mix of different types of investment securities, has long been considered the golden rule of investing because it reduces portfolio volatility and can provide a smoother investment experience.
3. **Invest regularly:** Investing a fixed amount on a regular basis will help you to keep your investment plan on track through all types of market conditions.
4. **Use time to your advantage:** Although equity markets can be volatile in the short term, over the long term, they tend to rise. Instead of trying to exit the market during periods of declines and re-entering when markets recover, staying invested during periods of volatility can help reduce fluctuations over the long-term

Did you know?

You can set up regular subscriptions to your Roytrin Mutual Fund Accounts through RBC's Digital Banking platform

Balancing portfolio volatility and potential returns

Understanding the relationship between volatility and returns can help you determine a mix of investments that align with your goals, time horizon, and risk tolerance.



RBC's Wealth Opportunities

	Cash and equivalents	Fixed Income	Balanced Portfolio	Equities
RBC Royal Bank	• Term Deposits • Roytrin Money Market Fund	• Roytrin Income Fund • Roytrin High Yield Fund	• Roytrin Income & Growth Fund	
West Indies Stockbrokers		• Global bond markets	• Customised Investment Portfolio - Balanced (Income & Growth)	• Global stock markets • Customised Investment Portfolio - Growth

Crisis or Opportunity? There will always be reasons not to invest

In every year, there are negative economic, financial or political events that give investors reasons to not invest. A long-term plan can help you through challenging times and keep your goals on track.

Major geopolitical events over the past five years

- **2018** Slowing global growth
- **2019** U.S. – China Trade War
- **2020** COVID-19
- **2021** U.S. Inflation near 40-year high
- **2022** Russia's invasion of Ukraine

Contact Us

If you would like more information about our investments products, please call RBC Royal Bank at **800-1RBC (1722)** or West Indies Stockbrokers at **628-WISE (9473)**. We look forward to assisting you.