

Investment UPDATE

Summer 2024 edition



28263 (07/2024)

What will your future look like?

When you think of your future, what do you see? Are there any big goals you'd love to achieve? Retire early? Take a dream vacation? Buy your first – or a new – home or vacation property? Save for your child(ren)'s education?

Whatever it is, it can be overwhelming to know how to start – or figure out how much you may need to save.

In this edition of Investment Update, we will explore how RBC can help you reach your long-term goals.

5 steps to get started



< Reminder

Done

- ✓ Step 1: **Identify your goals.** Make a list of your goals and then prioritize them.
- ✓ Step 2: **Understand your investing style.** Do you prefer to make decisions on your own, or is having an advisor important to you?
- ✓ Step 3: **Establish your time horizon.** What is the total time you expect to hold the investments for your savings goal? Less than 5 years? 5-10 years? Or longer?
- ✓ Step 4: **Rate your comfort zone.** How comfortable are you with investing, and how much investment risk are you willing to take?
- ✓ Step 5: **Develop an investment portfolio.** Work with your RBC advisor to create a plan and choose the investment solutions that are right for you.

Learn more about
**First Home
Savings
Account**



- The First Home Savings Account (FHSA) is a new registered plan that can help you save for your first home tax-free
- There's no minimum balance required to open an account
- Tax-deductible contributions of up to \$8,000 annually with a lifetime limit of \$40,000
- Plus, investment earnings and withdrawals used for a qualifying first home purchase are tax-free

Visit [rbc.com/fhsa](https://www.rbc.com/fhsa) to learn more.

Taking action

You can make better progress toward your goals with the right resources and advice. Here are three tools that can help you plan and save for your future goals.

My Advisor - A personalized saving plan

rbc.com/myadvisor



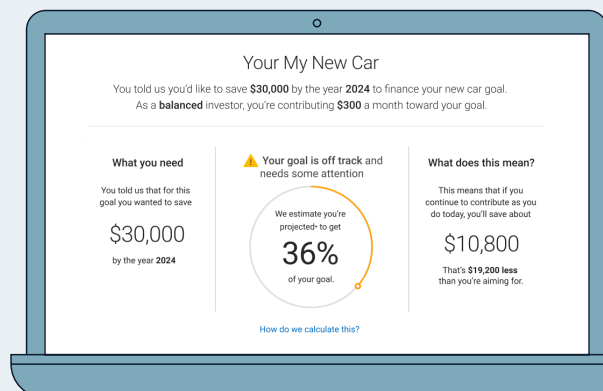
This free digital advice platform will help you stay on top of your money and reach your goals by giving you a personalized savings plan, helpful tips, real-time visuals and forecasts

– all accessible from the comfort of your home. For starters, you can:

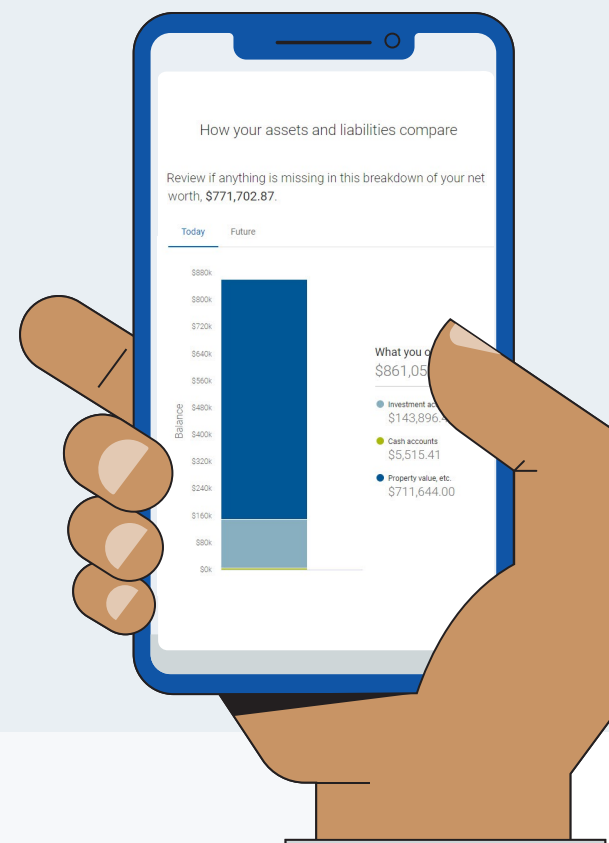
- Determine how much cashflow you have each month.
- Get a better idea of how much you could save and invest.
- Track your progress towards reaching your goals.

Stay connected to your money

- Get a more complete picture of your finances by linking your banking, savings, investments and loan accounts – even ones outside RBC with one log-in. Linking is easy and no money is transferred. Once linked you will have a real-time visual of your progress to help you stay on track towards your goals.
- A clear picture of your net worth and goal progression can help you better plan for your future. In addition, the cashflow summary can show you how much money is coming in and going out to give you a glimpse into your financial future. Try out different scenarios to see how extra cash or a new expense could impact your finances. If you have some money left over, setting up pre-authorized contributions can help grow your savings faster.



For illustration purposes only. The calculations shown are not actual calculations.



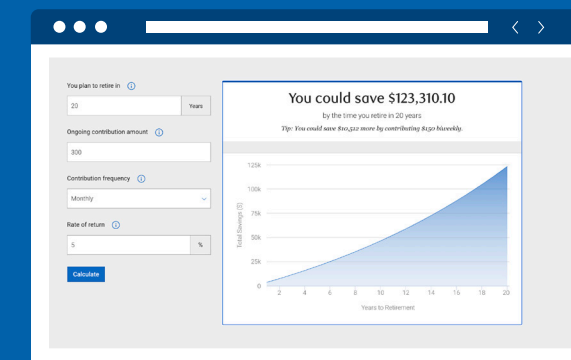
Investment tools and calculators

rbc.com/retirementcalculators

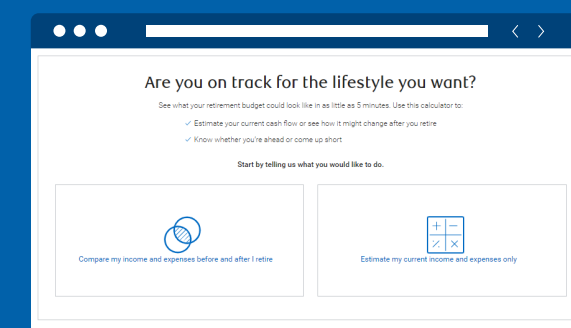


RBC also has many investment tools and calculators that can help you set your goals and meet them.

Let's say you are saving for retirement. Our **RRSP calculator** can help you see how much you're on track to save by the time you retire or whether you may need to work longer.



You can also use the **Retirement Budget Calculator** to see how much yearly income those savings could create – and whether it's enough for the kind of lifestyle you'd like in retirement.



All these tools and resources can help you plan your future and achieve your investment goals. You can access **MyAdvisor**, the **RRSP & Retirement Budget Calculators** on your own or you can work with an RBC advisor who can guide you to build your plan, together. Connect by video chat, phone, or in person. **Let's build your personalized plan and help chart your future – today!**



Economy

- The global economy has managed to withstand higher interest rates and continue to grow, reinforcing our view that a recession can be avoided over the year ahead. We place the odds at 65% that economies manage a soft landing, with potentially two to five years of further expansion.
- We forecast annualized growth rates of just under 2% across most developed regions for 2024, mostly a bit above the consensus outlook. For 2025, our growth outlook remains largely the same as a quarter ago and is in line with the consensus.
- While our outlook is benign, risks related to high interest rates, stubbornly hot inflation and geopolitics are sources of uncertainty.

Fixed income

- Bond yields have risen slightly in the past quarter as investors weighed the possibility that central banks may ease policy at a more gradual pace than previously expected.
- Tighter monetary conditions and rising fiscal deficits suggest that real interest rates may settle at a higher level on a sustained basis. Adjusting for this, we could conclude that the U.S. 10-year yield is priced for gradual declines over the years ahead as inflation moderates toward the 2% target from just over 3% currently.
- Our view is that fixed income markets offer decent return potential in the mid single digits and with only modest valuation risk over the year ahead, especially in an environment where central banks are actively cutting rates.

Equity markets

- Equity markets climbed to new highs in the past quarter, although the biggest gains have been highly concentrated in a small group of mega-cap technology stocks that have benefited from trends in artificial intelligence.
- Valuations in markets outside of U.S. large-caps are less demanding, meaning global equity markets could offer attractive returns should economic and corporate-profit growth remain positive.
- A lot of the good news is already priced into the U.S. large-cap equity market and expectations are high. The current combination of strong nominal earnings growth, continued expansion in profit margins and elevated investor confidence is becoming increasingly critical to sustaining the bull market.

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