Financial Fluctuations ~ Laurel Hickey & Garth Bluekens

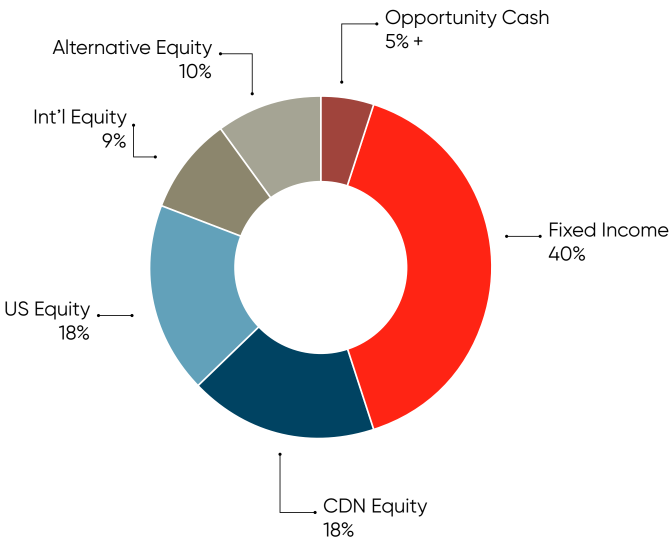
What's Financial Fluctuations Got To Do With It?

As mentioned in the NBI January Asset Allocation update, in 2022 we saw returns of a benchmark balanced portfolio similar to those seen in 2008. In the 2022 NBF Investing Guide[1], they illustrate the benefits of holding onto your investments during market fluctuations. In 2008, if you exited the market at a portfolio value of $87,736 and then re-entered the market 1 year later, the market value of your portfolio in 2021 would be $177,033. If you had stayed invested, the portfolio would have a market value of $277,965. We have brought up this comparison in the investing guide before, but we feel it is even timelier after ending 2022. This past year saw big daily swings in the market with new lows tested multiple times. In the moment it feels like your portfolio will never recover, but if you look at an andex chart of a balanced portfolio over multiple years or decades, you can see how the fluctuations we are currently experiencing aren't as detrimental as we may view them.

We often focus on the way financial fluctuations make us feel in the short term and not how they can be beneficial to us over time. The power of regular systematic savings into your portfolio allows you to take advantage of these fluctuations. For example, if you were to have gone to cash in 2008 and re-entered the market at a later, adding funds to the market all at once doesn't take full advantage of fluctuations and puts your cost base at the price of that one day. By adding to your investments and rebalancing your accounts on a consistent basis, you are buying positions sometimes at a higher price when markets are going up, but then at a lower price if markets are going down. This concept is known as dollar cost averaging, and it allows for you to average your cost over time and not feel large swings in the markets as strongly.

Though we hope to not see the same fluctuations as we did in 2022, we are here to answer any questions you may have.

Balanced Investment Model Sleeve Goal Allocation



Your Investment Policy **BALANCED PROFILE:** You give equal importance to achieving growth in your investments and receiving income. You can tolerate moderate changes in market value to ensure growth, but you prefer having a mix of fixed income investments and equities for reasons of stability. If you feel that your risk tolerance is shifting, please let us know!

NBFWM 2022 Investing Guide- Should you hold on to your investments during market fluctuations? (pg.8)

Source: This information is for illustration purposes and subject to change. Your portfolio may not hold all of these positions. We enhance the composition of your portfolio with additional equity solutions that are not illustrated. The weightings change with market fluctuations and model rebalancing.

Laurel Marie Hickey CFP® CIM® FCSI®
Wealth Advisor & Portfolio Manager
239 8th Avenue SW Calgary Alberta T2P 1B9

Garth Bluekens CPA CA PFP® CIM®
Senior Wealth Advisor & Portfolio Manager
404 6th Street S Lethbridge Alberta T1J 2C9

Tel.: 403-531-8429 | **Toll Free:** 1-877-506-7900 | **Email:** laurel.hickey@nbc.ca

NATIONAL BANK FINANCIAL
WEALTH MANAGEMENT

GLOBAL WEALTH