RBC Global Asset Management

Principles of successful investing

1 Invest early | **2 Invest regularly** | 3 Invest enough | 4 Have a plan | 5 Diversify your portfolio

Apply a savings-first approach to building wealth

A regular investment plan allows you to choose when and how often you make contributions to ensure that investing remains a priority throughout the year, not just during certain periods – like the yearly RRSP contribution deadline. Contributing regularly enables you to apply a disciplined savings approach to help successfully build wealth over time.

Investing regularly also allows you the opportunity to ease into any type of market (rising, falling or flat) and reduce long-term portfolio volatility. This is the case because regularly investing a fixed dollar amount gives you a chance to buy more investment units when prices are low and fewer units when prices are high, thereby potentially reducing the average cost of your investment over the long term.

Keep up with the times through indexing

By indexing your contributions – making small contribution increases every year based on a reference point such as the rate of inflation or an annual salary increase – you can grow your savings faster without feeling a significant cash flow pinch. The end of the year is a great time to review your savings level to help ensure it is keeping up with the ever-growing cost of living.

Investing small amounts of money regularly can help smooth out returns over time and reduce overall portfolio volatility.

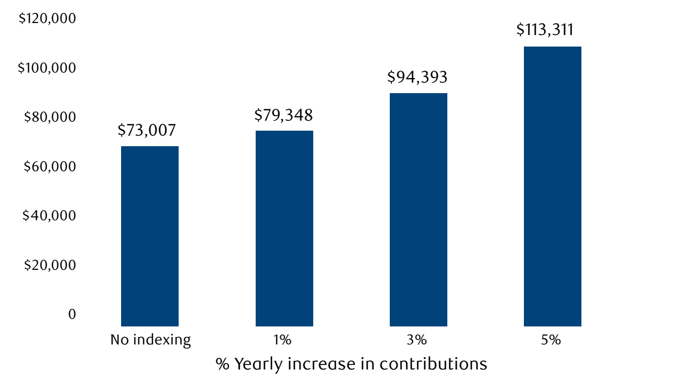
Your monthly savings can really add up†

Number of years invested	Monthly contribution amount			
	$50	**$100**	**$250**	**$500**
5	$3,309	$6,618	$16,545	$33,090
10	$7,335	$14,670	$36,674	$73,348
15	$12,233	$24,466	$61,164	$122,329
20	$18,192	$36,384	$90,960	$181,921
25	$25,442	$50,885	$127,212	$254,424

Source: RBC Global Asset Management Inc.

Increasing your contributions yearly can add up over the long term†

The growth of a $200 monthly contribution over 20 years



Source: RBC Global Asset Management Inc.
† Assumes a 4% annualized rate of return. Used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of any particular investment.

Investing regularly is one of the five principles of successful investing. Speak with your advisor today about how you can put these investment principles into practice to meet your long-term financial goals.

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