

Staying the investment course in 2017

During the summer months, many investors pause to review their investments and past market performance so that they can revisit their investment strategy and retirement goals. We can assist you with your review by providing you with some recent financial market highlights:

Market highlights as of July 31, 2017

- Global markets in the MSCI World Index gained 7.3% year-to-date and 18.6% for one year.
- The U.S. S&P 500 Index increased by 5.7% in 2017 and over the past year by 17.6%.
- The Canadian S&P/TSX Composite Index managed only a .7% year-to-date but an 11% 1 year return.
- The DEX Universe Bond Index realized a 2.4% return in 2017 but was flat over the year, with most Canadian bond funds realizing negative returns in 2017.
- Investors have seen a decline in the value of oil (West Texas Intermediate (WTI)) since the start of the year and Canadian stock markets were impacted by the low point of \$43 per barrel (US\$) in June. A continued decline in the price of oil would have a negative impact on Canadian stock markets with the Canadian market's concentration of resource-related stocks in energy and materials affected.
- The Bank of Canada raised its overnight lending rate for the first time in 7 years by a quarter percentage point from .5% to .75%, with subsequent gradual increases anticipated. Rising interest rates result in declining bond prices and lesser or negative bond fund returns as well as higher consumer borrowing costs.



Reuter recommendation for disciplined investing

When you created your investment strategy, one of the most important factors considered was the number of years you had until your planned retirement.

If you still have several years until retirement, we recommend that you take a long-term approach and continue to stay the course. Moving out of investments when they are down in value locks in losses and can result in missing the opportunity for potential recovery and gains during the next cycle of growth.

If you are close to retirement, for example within 3-5 years, we recommend that you contact us or your financial advisor to review your options and strategy to determine if any changes are required. You can reach the Reuter Benefits' team of licensed professionals by phone at 1-800-666-0142 or via email at retire@reuterbenefits.com.