



## 2nd Quarter Update 2018

Included in this report:

Risky business

Up your contributions

Assets by Age Band





# Understanding Risk

To some extent, risk is a part of everyday life whether you're crossing a street, or getting a haircut, or buying a 'scratch and win' ticket.

Investing has risks associated with it as well; there is the potential for loss. Here are three main types of risk factors to consider when choosing your investments: volatility, inflation, and interest rate risk.



**Volatility or Market risk** Investments which include stocks or shares of businesses carry no guarantees and have unit prices that fluctuate according to the market.

**Investment risk** Guaranteed investments lock you in at a specific interest rate for a certain period of time, perhaps missing the opportunity to lock in at a better rate should interest rates rise.

**Inflation risk** Inflation can erode the purchasing power of your savings over time unless your investment earns a rate of return that equals or outpaces inflation.

Investing regularly through your group retirement plan gives you the benefit of **dollar-cost averaging**, which means that over the long term, the impact of volatility is minimized.

**Diversify** by choosing funds that invest in a wide range of securities, industries and even countries, to help lower the chances of market volatility.



For more information on these and much, much more check out [www.smartpathnow.com](http://www.smartpathnow.com).

The **Investment personality questionnaire**, available in the *Learning centre* on [www.grsaccess.com](http://www.grsaccess.com), can help you understand your risk tolerance and select an asset mix that reflects it, your investment objectives, and time to retirement.

The **Fund review**, updated monthly, and the **Fund reports**, updated quarterly, are also available on [www.grsaccess.com](http://www.grsaccess.com).

The closer you get to retirement, the less time your investments have to recover from any losses. Consider gradually shifting your investments to more conservative ones that will help you preserve your capital, generate income and gain increased liquidity.

To make arrangements to speak with an **investment and retirement specialist** call the Great-West Life *Access Line* at 1-800-724-3402 or email them at [retirementready@gwl.ca](mailto:retirementready@gwl.ca).





## More on dollar-cost averaging

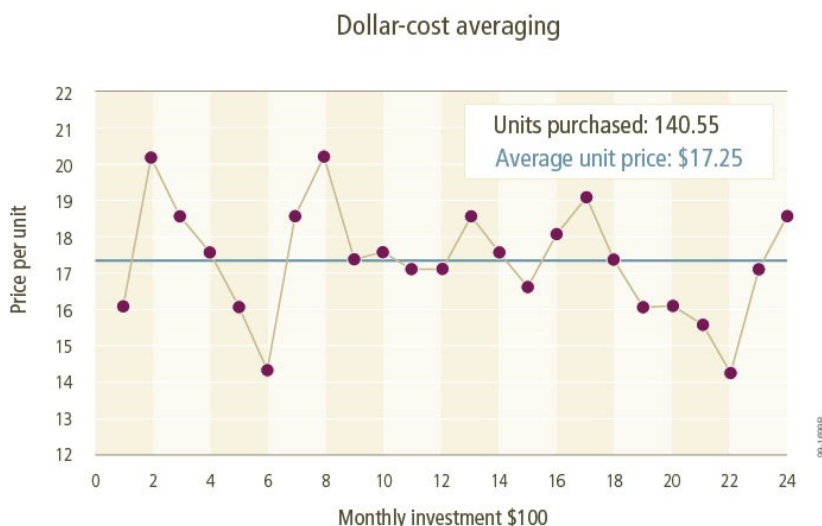
When you make regular small contributions to your RRSP throughout the year rather than one big lump-sum contribution in February you are taking advantage of **dollar-cost averaging**.

Whether you are investing in a conservative or aggressive target risk or target date fund, the unit price can fluctuate according to the markets. Sometimes your contribution can purchase more units in the fund than others. Over time this averages out.

If you save up to make one big contribution it may correspond with a period when the unit price is higher and therefore your contribution will purchase fewer units in the fund.

Watch the [Basics of investing](#) video on [www.ceirp.ca](http://www.ceirp.ca) for more information.

This chart shows how unit values move up and down over two years. Let's assume an investor contributes \$100 per month for two years. Take a look at the numbers to see how dollar-cost averaging evens out the highs and lows of investing in the market.



## Want an easy way to make those extra contributions?

### On-line banking: what could be easier?

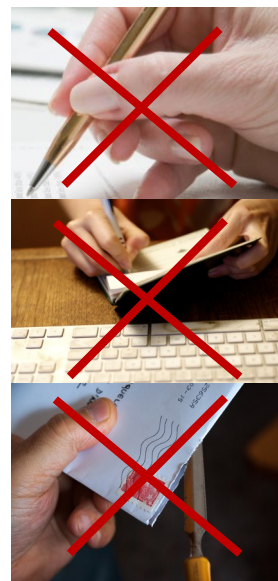
In your on-line personal banking account bill payments section, search **Great-West**. Enter your plan number 62724 and your personal GWL certificate number (no spaces between) to create the one new account number, eg: **62724123456789**.

With online banking, you can set up automatic recurring contributions so you don't have to worry about missing contribution deadlines.

**You don't have to fill in forms, write cheques, or mail anything.**

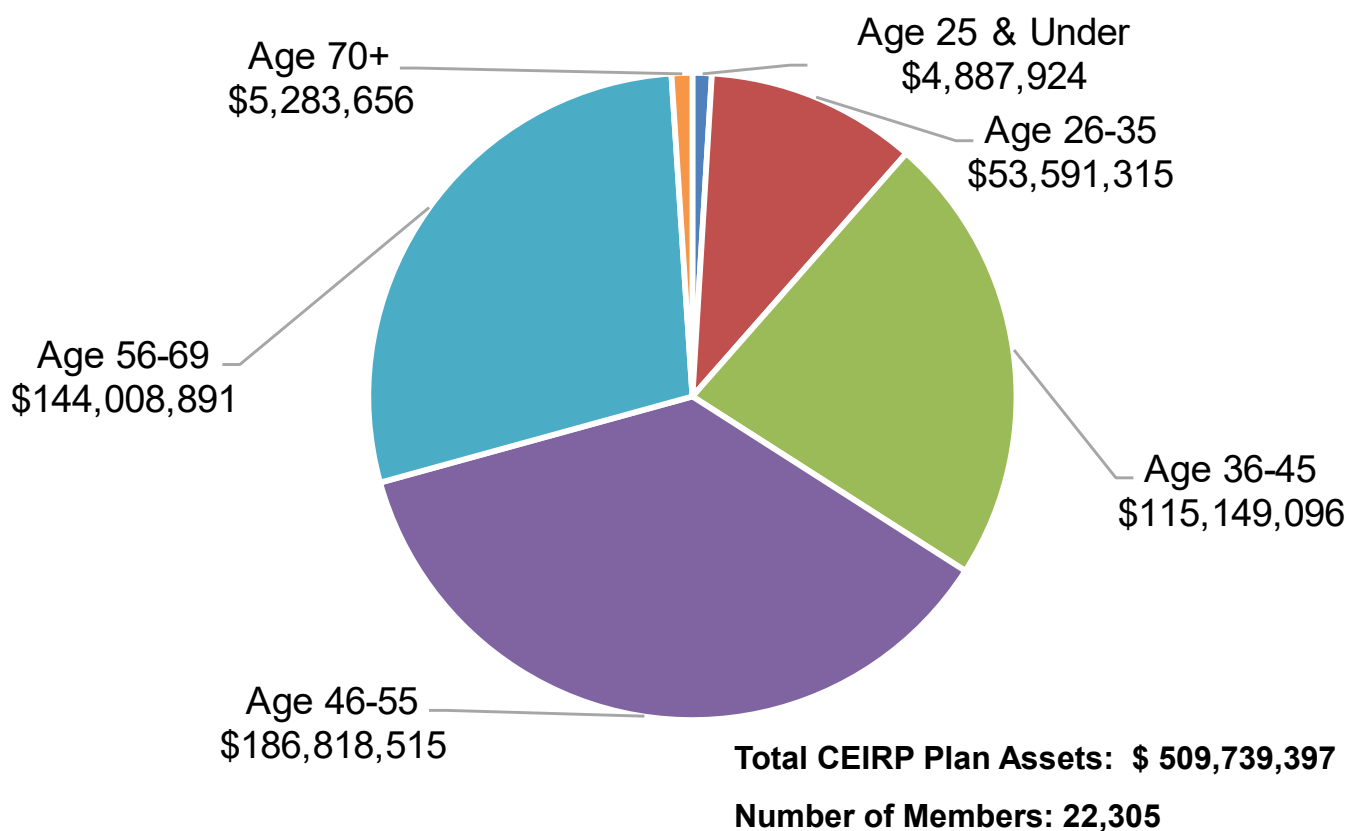
You can use it for your RRSP (personal or spousal) or TFSA. Try it, you'll like it.

Watch the [CEIRP online banking](#) video on [www.ceirp.ca](http://www.ceirp.ca) for more information.





## Plan Assets by Age Band as at June 30, 2018



Totals shown are for all plans (RRSP, RRIF, NRSP and TFSA)

It is important to keep sight of long term goals to ride out market ups and downs. A diversified portfolio can help moderate the volatility of returns and better protect capital over the long term. The Fund Review is updated monthly on [www.grsaccess.com](http://www.grsaccess.com).