

# Interest rates will fluctuate; your investment strategy shouldn't



Wealth  
Management

## The fixed income advantage

RBC Wealth Management's approach to fixed income investing focuses on our financial advisors, and in turn our clients, having access to talented people—traders, portfolio strategists, and credit strategists—as well as cutting edge portfolio analysis technology. We call this our fixed income advantage.

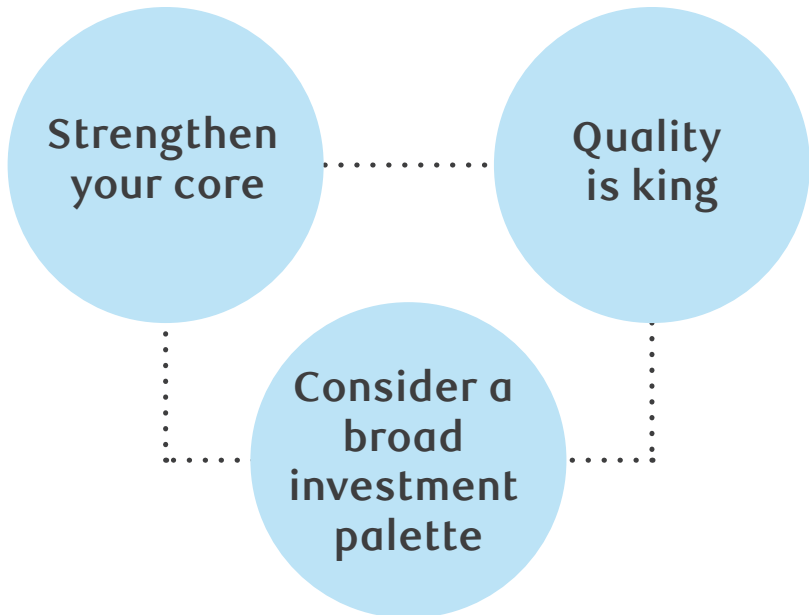
Market volatility and uncertainty over the direction of interest rates often cause investors to question their current strategy. We suggest that investors need to maintain a disciplined approach to fixed income investing.

## The disciplined investor

- 1. Strengthen your core:** For fixed income investors, a strong core comes from solid bond ladder. Individual bonds with maturities “laddered” across the yield curve take the guesswork out of trying to predict interest rates. Additionally, bond ladders provide investors with many “knowns”—such as income, maturities and reinvestment timetable.
- 2. Quality is king:** Long-term fixed income investors have two concerns: Will I receive my interest payments as scheduled and will my principal be returned at maturity? A focus on quality, in our opinion, helps ensure those conditions are met and are key to having a strong core.

- 3. Consider a broad investment palette:** Investors are confronted with many investment choices, which can pose challenges in choosing the “right” investments. Once the strong core portfolio with a focus on quality is constructed, we feel at times there may be other fixed income sectors that offer strategic opportunities which can complement the core and enhance yield. These may include preferred securities, high yield issues (both corporates and municipals), floating rate securities, and international/emerging debt. Because these sectors can entail higher risks their inclusion in a diversified portfolio are always subject to investor risk profiles.

RBC Wealth Management clients benefit from the ability of their financial advisor to tap the resources of their fixed income advantage in order to provide solid portfolio advice, recommendations and customized portfolios. Our approach helps make sure that investors remain confident in their investment strategies so they can chart a steady course for their fixed income portfolios.



Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.