

# Mutual Funds for Every Need

Mutual funds are investment companies that pool shareholders' money and invest in a diversified portfolio of securities. While mutual funds have been around since the 1920s, their popularity over the past 15 years has soared. Why? Because mutual funds offer a convenient, efficient, and cost-effective way to invest for capital growth, income, and/or income preservation. Coupled with the benefits of diversification and professional money management, mutual funds provide an opportunity for every investor to access the same resources available to the largest investors in the marketplace.

## **PROFESSIONAL MONEY MANAGEMENT**

As a mutual fund investor, you will enjoy the benefit of professional money management at two levels. First, mutual funds are managed by experienced financial professionals. These investment professionals spend each day studying dynamic markets to make informed decisions on your behalf. Second, your RBC Wealth Management® Financial Advisor will help you determine your needs and formulate long-term investment goals and objectives. Your Financial Advisor will help set realistic expectations as to how each investment may perform and match your goals and objectives with appropriate investments. Over the long term, your Financial Advisor can help you monitor your portfolio and regularly review your situation to ensure your investment strategy supports your goals.

## **DIVERSIFICATION**

If you were to own just one stock, bond, or other security, your investment performance would be completely tied to the performance of that one security. By owning a variety of investments, you help protect yourself against potential downturns that may affect a particular security. Although diversification can help minimize potential downturns, mutual fund shares do fluctuate in value and may be worth more or less than original cost.

## **NUMEROUS INVESTMENT OBJECTIVES**

Most mutual fund families offer a wide array of individual funds to help meet your investment goals. Each fund has its own objective. This variety of investment objectives helps to enhance diversification, i.e. allowing you to adjust your investment allocation among the family's funds, often, at no charge.\* With this, you can help meet your financial needs as they change over time.

## **A SIMPLE AND CONVENIENT WAY TO INVEST**

Investing in a mutual fund is simple. You may reinvest dividends and capital gains automatically. Systematic purchases and withdrawal options are an important part of any investment strategy and are easily implemented. The fund will send you detailed reports every six months so you understand the fund's performance. If you need to raise cash, mutual fund shares are usually very easy to sell. Shares can be sold back to the fund company on any day the stock market is open at the next calculated net asset value (less any sales charges or redemption fees, if any).

*\*If you execute such a transaction it could trigger a taxable event.*



**RBC Wealth Management®**

## *Mutual Funds for Every Need, continued*

These benefits illustrate why mutual funds have become so popular. Your RBC Wealth Management Financial Advisor can help find the right mutual funds for you.

### **ADDITIONAL CONSIDERATIONS**

Historical fund performance does not guarantee the same results in the future. Principal value, share prices and investment returns fluctuate with market conditions. Your investment may be worth more or less than your original cost when you redeem your shares.

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