

## TheAnswerIs.ca - First Anniversary Update

Since Oct 21, 2016, each of the six ETFs in the model portfolio have experienced unit price increases of between 1% and 16.6%, with an average model portfolio unit price increase of 11.4%.

In addition to these unit price increases, the six ETFs have paid cash dividends / distributions of an additional 2.7%. Overall, the total return has been 14.1%.

### INTERLUDE OF CAUTION

Looking at the picture above, the 14.1% total return of the model portfolio over the past year is loosely depicted by the first two dots on the graph. As you can see from the number of dots on the graph, investing a long journey! Don't get too excited by a good year, and especially important, do not get too depressed in a bad year, because at some point a bad year will come.

North American stock markets are at or near their all-time highs. At some point, and I do not know when, stock markets will fall, perhaps by as much as 20-50%. The absolute key is that money invested in the stock market needs to be invested for a minimum of 10 years, to provide time for the markets to recover from the next inevitable fall. If money cannot be left untouched for a minimum of 10 years, it is very risky / dangerous to invest in the stock market.

Now back to our regularly scheduled update

The AnswerIs.ca model portfolio is rebalanced once per year.

Some of the ETFs have performed better than others, for example two of the foreign ETFs have increased 14.8% and 16.6% respectfully, but two of the domestic ETFs have only increased by 1% and 6.1% respectfully. As a result, the model portfolio needs to be re balanced.

The target weightings of the model portfolio can be located by logging into Your Account on the website (<https://www.theansweris.ca/index.php>), and clicking on the **Add Money / Re Balance tab**:

To rebalance the model portfolio using the available cash from dividends / distributions, means buying more of the ETFs that have not performed well. This may seem counter intuitive. However, the object is to buy more of the ETF required to achieve the model portfolio target weights. The good news is that, relatively speaking, the model portfolio requires the purchase of the lowest cost ETFs.

Therefore, for this year's model portfolio rebalancing, the available cash from dividends / distributions will be used to purchase more of the two domestic ETFs that have underperformed to date.

### Fine Print

ThisAnswerIs.ca does not purport to, nor does it, provide individualized investment, financial or other advice of any kind. You must conduct your own due diligence prior to purchasing any investment. TheAnswerIs.ca Inc. does not monitor your individualized goals or performance. The website simply provides general information and perspective for long-term investing. The author of this website may hold an interest in any or all of the securities listed on the website.

### **TheAnswersIs.ca model portfolio**

TheAnswersIs.ca model portfolio of six Exchange Traded Funds or ETFs turned one year old on October 21, 2017. Each ETF is designed to match an associated index, such as the Canadian Market (TSX) Index, US Market Index, Emerging Market Index, etc. These ETF's were carefully selected to provide global geographic, and economic sector diversification, at a low cost. TheAnswersIs.ca portfolio is simply designed to match the performance of each of the six equity market indices, good or bad.

### **Marketing Plug**

If TheAnswersIs.ca has been helpful, please share it with your network on LinkedIn with the tag line "Check it out". Remember, the website earns no fees or commissions and 100% of all donations go directly to the charity of the user's choice.

Thank you very much.

Best regards

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