The Opportunity Update – Thursday, December 7th, 2017

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Track #1: Introduction - The Skinny

Hi, this is Chris Raper, Senior Vice President & Portfolio Manager, Private Client Group of Raymond James Ltd. & co-founder of **The Dividend Value Discipline™**. Welcome to **The Opportunity Update**, which is being recorded for you in Victoria, BC on Thursday, December 7th, 2017. Here is what we are going to cover today:

You are now listening to **Track #1: The Introduction**, where I give you the skinny on what I am going to talk about.

On **Track #2: The Markets – A Secular Bull Redux –** I will spend most of our time laying out the case that we continue to be in a secular bull market and I am going to do that by giving you the historical context of previous secular bull markets, drawing on the conditions that created them and compare that to our current environment. Why is that important? Because around every corner in a secular bull market is a financial boogieman that tries to scare you out of it. Post that discussion, we will close out the track following our usual course, updating you on our favourite leading economic indicators: the price of copper and semiconductor index, speak to the oil complex (where we continue to be more bullish than bearish) and close out with our near term expectations for the Canadian dollar.

On **Track #3: The Dividend Value Discipline™ - Upping International**

First, I will highlight our latest acquisition, Manulife Financial, where some +30% of their business is in Asia, and that side of their business is growing at almost 20% per year. Obviously, we find that kind of growth attractive. Then I will speak to how our exposure to international markets is increasing in non-apparent ways. While it is a fact that we do not currently own any ex-North American domiciled companies, we certainly have international exposure by virtue of the international revenue streams of our investee companies.

On **Track #4: The Wrap Up – Why We Believe It Gets Better -** I will recap the takeaways for tracks 1 to 3, and then address our rather modest performance thus far this year, fess up where we went wrong and then shine a spotlight on why we remain confident that in due course of time, the companies we own will be recognized for their continuing double digit growth in earnings and dividends, aka the rent cheques.

Track #5: Postscript I is where I walk you through our core investment program, **The Dividend Value Discipline™**, its methodology, return objectives and all-in costs. This track is primarily for the benefit of potential clients who are being introduced to us by way of this recording. By the time you are done listening you will know what makes the process unique vis-à-vis our competition and whether or not you are interested in pursuing it any further. Not interested, not interested right now, and let's talk further are all perfectly acceptable answers.

Track #6: Postscript II is again for the benefit of prospective clients. It will give you some insight on what to expect during our initial meeting, where we both want to answer the question, "Is there a fit between our services and your needs?"

In terms of legal requirements – the opinions that are expressed on this recording are mine. They may differ from those of Raymond James Ltd.

I am also required to tell you that Raymond James Ltd. is a member of the Canadian Investor Protection Fund. That is a good thing, and if you are interested in those details, please asks me or any one of our relationship managers the next time we speak.

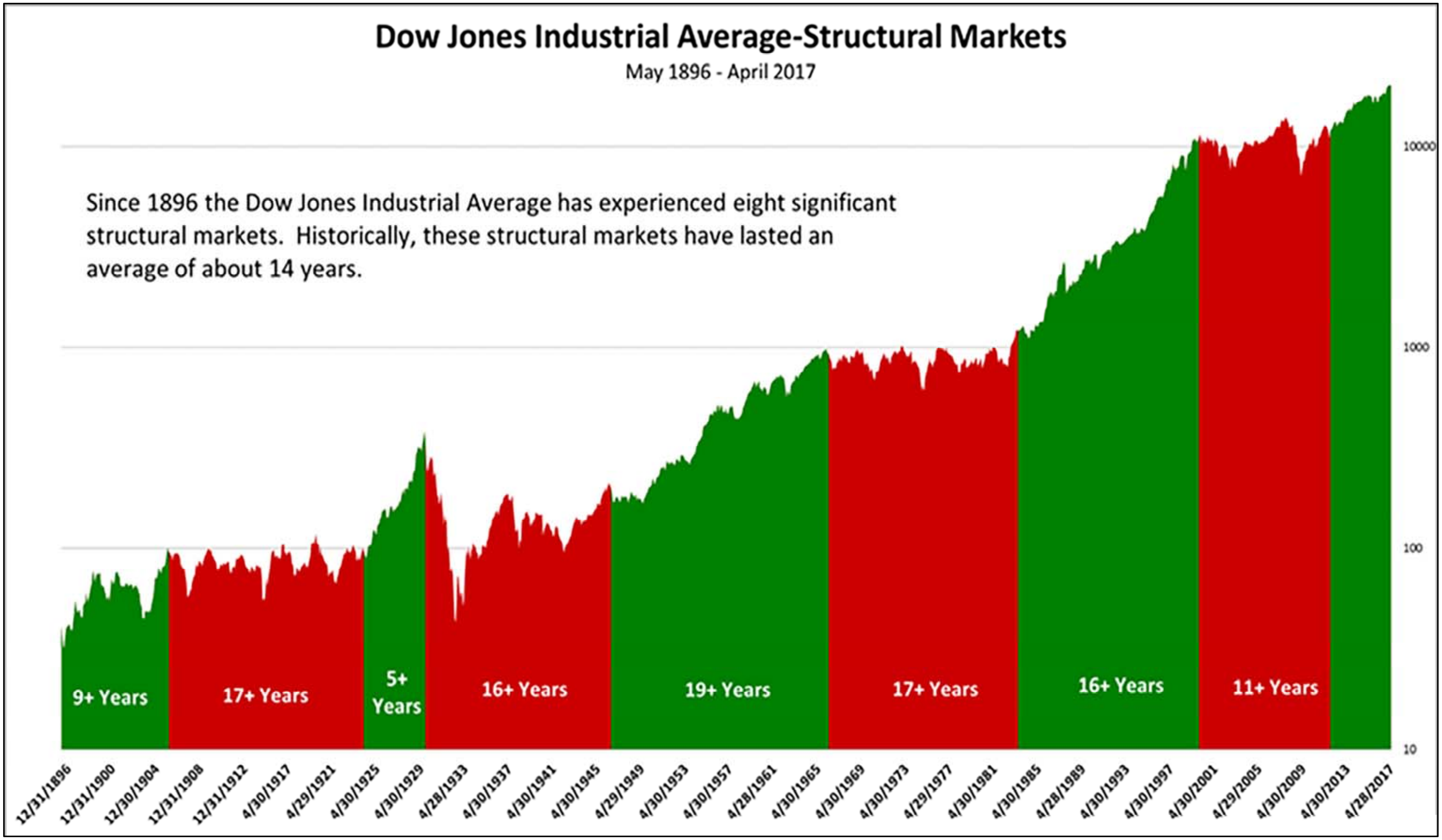
I also want you to recognize that some of the things I am going to say today are going to be proven wrong. It is an inevitable part of this business. It is also important to recognize you don't have to be right all the time, to do well. You just have to be more right than most or conversely, less wrong than most.

Finally, regarding investment jargon, when I say I am bullish, it means I expect things to go up; when I say I am bearish, it means I expect things to go down. Likewise, north means up and south means down. When I speak about rent cheques, I am speaking about income, primarily dividends. You will also hear me using the term disruptor, which is our moniker for those companies that are disrupting or re-inventing the way business is done in their particular market, and thereby able to grow at rates far beyond the rate of the economy. Think of Wal-Mart twenty years ago and Amazon today. You will also hear me use the term aggregator, which is our moniker for those companies that have a systemized approach to acquiring smaller competitors as a means to fuel their growth. Said growth is the path to increasing dividends or in our language, growing rent cheques. If you catch me using industry jargon beyond that, I invite you to call me out. Send an email to the office and the team will let me know, usually with considerable gusto!

That's a wrap on the skinny, and off we go to Track #2.

Track #2: The Markets - A Secular Bull Redux

As you have no doubt already concluded, a secular bull market is one that continues to drive asset prices higher and higher for far longer than normal (measured in years) versus a secular bear market that drives prices far lower at the start and then in up-down up-down fashion with no real progress, again for years at a time. Before we get to where we are in the current cycle, let’s look at some previous cycles and the conditions that created them.



Source: Raymond James Research.

As per the (above) graphic dispatched with this missive, the average length of a structural bull or bear market is ~14 years and, for the record, I do believe we are in a secular bull market today. The previous secular bull market started in 1984 and it lasted until the technology bust in the year 2000. What sowed the seeds for such a spectacular run in U.S. equities over that 16-year period? In reality, it was the 17-year secular bear market that preceded it. Throughout that period you witnessed rapid inflation, sky high oil prices and even higher interest rates, with the result that the market really made no progress for 17+ years. An important point: during that time, investors (you & me) became preconditioned to sell your winners quickly and move to cash, lest you be crushed by the next round of selling. In other words, by the time the bear market gave way to the bull market, every fibre in your body was telling you there is a financial boogeyman around every corner. By 1984, your survival instinct had been finely tuned by your persistent bear market experience. Unless you were a great student of history, you were only vaguely aware of the previous generation secular bear market that started with the crash of 1929 and lasted until post WWII. How did investors respond? That bear market created a whole generation of investors that wouldn't think of buying a stock, and, of course, that only fed the next bull market. As wartime technology advances got applied to the civilian life, soldiers returned home and started making babies; the markets soared for nearly two decades. By 1966, the hot stocks of the day were the so called Nifty Fifty - names like Polaroid, Xerox and Digital Equipment were the stock market equivalents of Facebook, Amazon, Netflix and Google today: FANGs. Just for the record, if you were unfortunate enough to buy the Nifty Fifty stocks in the late stage of that spectacular bull market, by 1975 you were down well over half - which means you needed 100% upside just to get back to scratch. So is it any wonder by the time the 1984 - 2000 bull market got started, there were few believers and even fewer participators, but with each passing year more and more converts joined the party and I well remember the latter stages of that tech boom when clients would routinely fire you for not owning Nortel, AOL and Cisco and if you succumbed to their demands, you were sure to get fired the next year as those names tanked and some just disappeared. The blessing of the aftermath was that it forced the creation of **The Dividend Value Discipline™.**

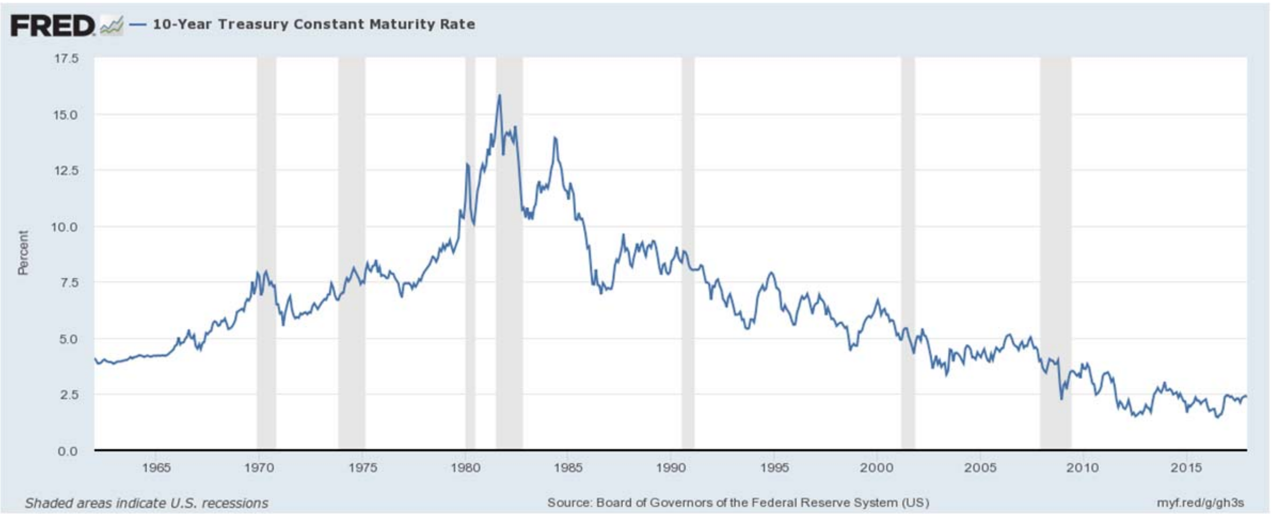
By now, I trust you are starting to see some commonalities. Here's my take on the three main ingredients of a secular bull market.

1. It must be preceded by a volatile, long and frustrating bear market where investors make little progress and they become highly skeptical of making any real money. The most recent example would be from the year 2000 to 2013. You may recall the NASDAQ Composite Index pegged 5132 in the year 2000, then sold off in spectacular fashion and only broke above that level in May 2015. Likewise the broader based S&P 500 Index finally marked the end of its bear market in March 2013 when it bested its year 2007 high water mark of 1,576. Accordingly the current bull market is only four years long if you use the S&P and 2 years long if you want to use the technology laden Nasdaq Composite.

And most of you do not need to be reminded that the tech wreck of 2000, coupled with the 2008/09 crisis, has trained each one of us that the black angel of finance is around the next corner.

2. Secular bull markets are characterized by new waves of technological advances that greatly enhance productivity that in turn drives corporate earnings north. We saw this happen in the late 1800's with the advances of the internal combustion engine, electricity and the telephone. We saw it again in at the end of WWII when all the military advances got applied to civilian life, and again in the 1990's as personal computing, cell phones and finally the web became mainstream. And yes, I believe we are seeing it again today with genomic mapping, artificial intelligence, the internet of things, manufacturing robotics and, perhaps the most promising, block-chain technology.

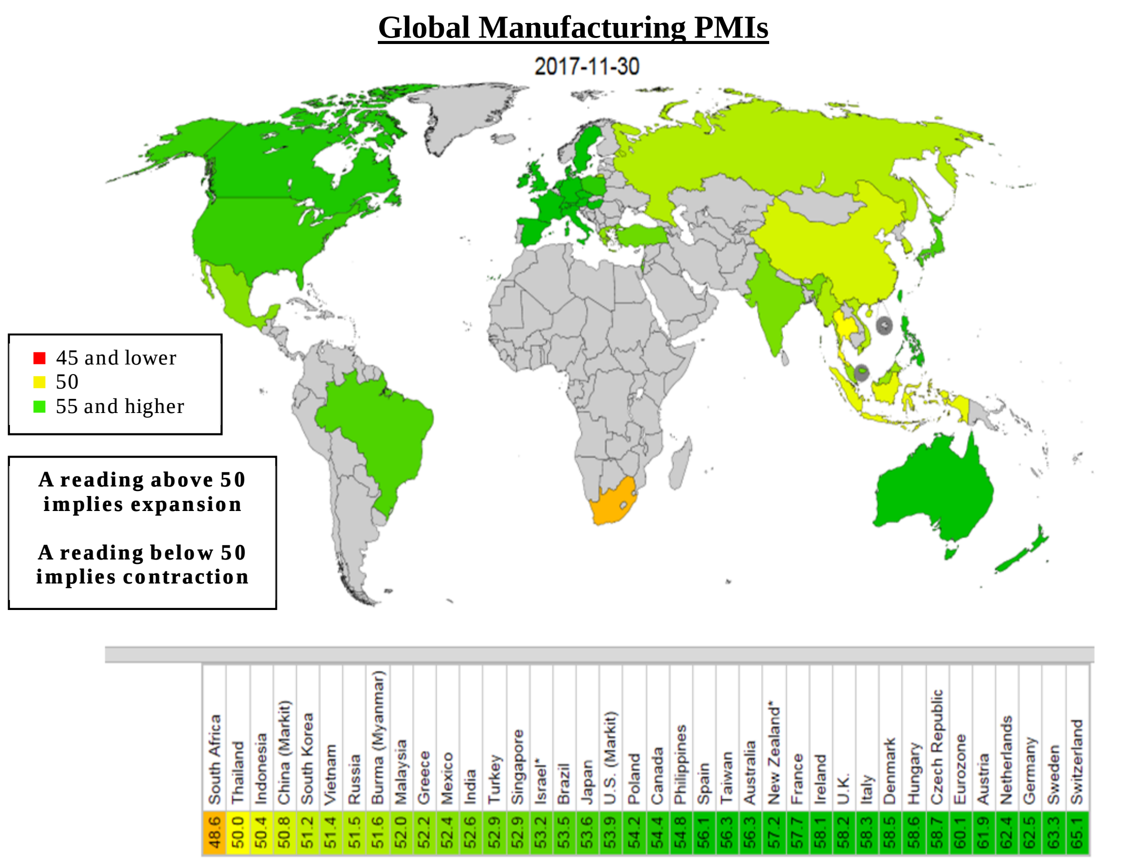
3. The last thing that is required is the self-perpetuating "fear of missing out". It grips the investing populace with each new round of market highs. Net buyers exceed net sellers and the only equalizer is price. It starts slowly in the beginning years and builds with each new high water mark until we reach the blow off top and we will be into another bear market period. The good news is that if 14 years is the average run, we still have lots of runway.



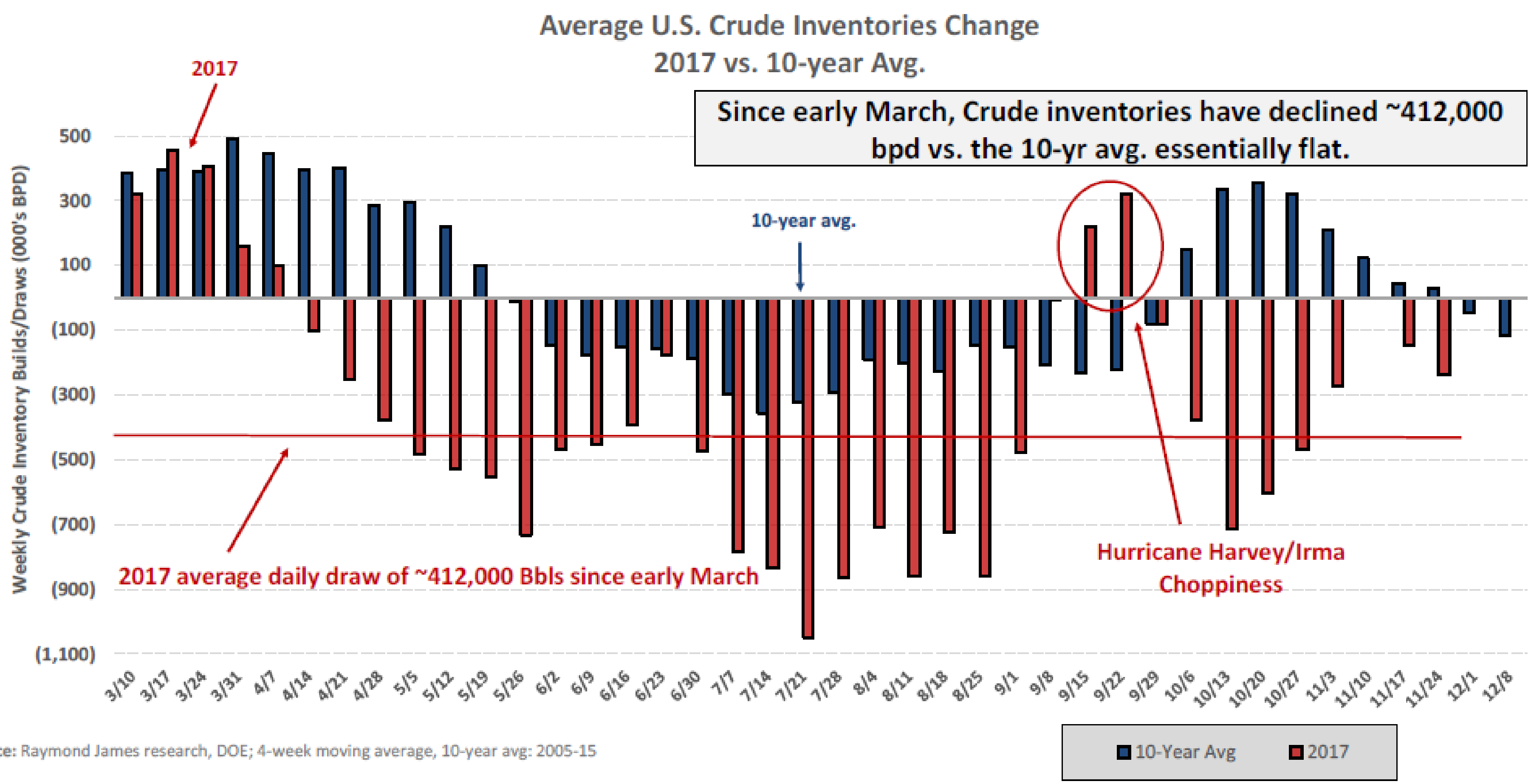
On a final note, this cycle has an interesting twist and it has to do with artificially low interest rates which can be translated into a dearth of investment alternatives. As per the graphic on 10-year treasury yields, we have seen rates dropping for almost 40 years and that is starting to change, albeit at a glacial pace. Please recognize that the global bond market is four times bigger than stock market and every time interest rates go up the value of existing bonds goes down. If you postulate that interest rates will rise over time, you have to believe that bonds are going to become a whole lot less attractive and that money will migrate from bonds to where? Your first thought might be real estate, but real estate is all about cap rates and they go up with interest rates, so that doesn't sound very likely. A 10-year US treasury bond is currently yielding 2.35% versus say Microsoft which has a forward earnings yield of ~4.20%. If interest rates go up the value of that 10-year bond is going down. Microsoft has grown its earnings at double digit rates for the last five years and we expect that to continue, so which one do you want to bet on for the next 10 years? Bottom line, the current secular bull market can go on for a lot longer than both you and I think it can. We need to make sure our portfolios are appropriately diversified for a secular bull market and we need to be extremely careful about migrating to Nifty Fifty type stocks or, in today's language, FANG type stocks. One of the ways we do that is by focusing on the rent cheque! That is what is going to get us through the next bear market whenever it comes.

With that let's move to our favourite leading economic indicators where admittedly I am going to sound like a broken record compared to the September edition – copper is now $2.97 a pound today versus $3.17 on our last recording, so down somewhat but still well north of the $2.50 we started the year with and we would argue still moving in an upward trend. That's important because copper goes into just about every manufactured good you can think of so strong prices speak to robust demand and a growing economy and is especially relevant to the developing economies. The raw material of developed economies is the semiconductor and when we check in on the Philadelphia Semiconductor Index (symbol $SOX) it has pulled back a bit from its all-time high set in November, but remains up some 35% on a YTD basis compared to a +23% on our last recording. It is worth noting that the ancillary evidence continues to be strong on a year to date basis. Our friends at Ned Davis Research posted their monthly global manufacturing heat map with executive summary comments as follows:

It doesn't get much better than this! The global manufacturing PMI climbed to its highest level in nearly seven years, while our breadth measures show some of the broadest trends in a decade. Developed economies outpaced the emerging world, with developed Europe taking the lead.



Turning to the oil complex, we see the demand side continuing to push prices north and it helps that OPEC has agreed to continue with production cuts while the US exploits its export markets for oil, oil derivatives and natural gas. Sadly, we are missing out here in Canada as the never-ending social license issues perpetuate unending reviews. Those of you who watch your accounts closely will note that we have moved some of our oil and gas exposure stateside and I expect that pattern to continue. Money flows to where it is best treated.



That takes us to the Canadian Dollar, where we have been punched, bored and counter-sunk for most of the year. Most of you will be aware that the Canadian Dollar soared to a high of $0.8280 in September on the prospect of higher interest rates as signalled by the Bank of Canada and in doing so completely decoupled from its normal correlation with the price of oil. Since that time, our bank governor has been in backpedal mode and his latest comments with yesterday's Bank of Canada announcement of "no increase" was promptly interpreted as even more backpedaling with the loonie down almost 1% on the day. For the last 3 months oil prices have risen and our loonie has dropped, so it begs the question: Will that historical correlation return if we continue to restrict the development of our oil and gas industry? Over time, it has to have an effect. Between now and the end of the year, I believe that our loonie gets marginally weaker as the U.S. gets closer and closer to finalizing their corporate tax cuts. Beyond that, I need more think time.

That's a wrap on the a long winded track # 2 and you will be relieved to know that Track # 3 is far shorter – that's where we are going, right now.

Track #3: The Dividend Value Discipline™ - Upping International

Program participants will be aware that we initiated a position in Manulife Financial Corp.(MFC) back in early November and have added to it since then. Here's why – we are attracted to the industry because we see a lot of previous headwinds becoming tailwinds. Post the 08/09 crisis, life insurance companies got crushed with regulation, extremely low interest rates and very little in the way of new customers. Today, the pace of new regulation is slowing; we have somewhat higher interest rates and greater customer demand. There were a number of things that attracted us to Manulife versus the other prospects we studied. There is no question that I am impressed with the new CEO, Roy Gori, a guy who has spent most of his career in Asia and it is worth noting that the region makes up one third of MFC's profits and that their Asian business is growing at almost 20% per year. At that rate, it won't be long before Asia takes over their legacy business - and it is the legacy businesses, John Hancock in particular, that has been holding MFC back. I believe Gori is going to fix that. He has already installed a "fixer" executive from Singapore and is measuring progress on a quarterly basis. He has also indicated that all options are on the table, which is code for a possible sale. If that happens, my bet is they find better opportunities for the capital in Asia. Moat-wise, their scale (it's the 28th largest fund manager in the world) and their long track record of success in Asia (30+ years) are things we found attractive. They are also making huge strides on the client service side by moving things like health care claims to your laptop or mobile device. This will serve them well with the up and coming millennial generation. On the rent cheque side, we bought the stock with a yield of some 3% and the dividend has been growing at double digit rates. We actually expect the growth rate to increase in future years given the growth opportunity they have in Asia and Gori's focus on fixing their legacy business.

MFC's high growth Asian exposure was certainly part of the attraction as we seek to diversify the program across a much broader global footprint than the home domicile of our investee companies would indicate. To give you a sense of just how broad that footprint is please see the International Exposure graphic - the table (below) which outlines where our investee companies get their revenue from. My bet is that you are surprised with the degree of international exposure we do have.

International Exposure

	Company	United States & Canada (% of Revenue)	International Exposure (% of Revenue)	Top International Locations Cited
1	SKYWORKS SOLUTIONS INC	3%	97%	China, Taiwan, South Korea
2	AMPHENOL CORP	28%	72%	China
3	NIKE INC	47%	53%	Western Europe, China, Emerging Markets
4	MARSH & MCLENNAN COS INC	50%	50%	UK, Europe, Asia
5	MICROSOFT CORP	50%	50%	Europe
6	CCL INDUSTRIES INC CL B	51%	49%	Europe, Asia, Australia
7	GREAT WEST LIFECO INC	51%	49%	UK, Europe
8	EXPEDIA INC	57%	43%	Not disclosed
9	GILEAD SCIENCE INC	64%	36%	Europe, Japan
10	BANK OF NOVA SCOTIA (THE)	64%	36%	Mexico, Peru, Chile, Colombia
11	CONSTELLATION SOFTWARE INC	65%	35%	UK, Europe, Israel, Australia, etc.
12	MANULIFE FINANCIAL CORP	70%	30%	Asia
13	STARBUCKS CORP	74%	26%	Japan, China, UK, Europe, Middle East, Australia
14	NORTHERN TRUST CORP	75%	25%	Not disclosed
15	SHERWIN WILLIAMS CO	90%	10%	Not disclosed
16	STANTEC INC	90%	10%	Not disclosed
17	TJX COMPANIES INC	91%	9%	UK, Europe, Australia
18	CAMECO CORPORATION	92%	8%	Germany
19	SUNCOR ENERGY INC	94%	6%	UK
20	ISHARES U.S. OIL EQUIPMENT & SERVICES	95%	5%	France
21	INTUIT INC	95%	5%	Not disclosed
22	DOLLARAMA INC	99%	1%	El Salvador
23	PEYTO EXPLORATION & DEVELOPMENT CORP	100%	0%	N/A
24	LOWES COMPANIES INC*	100%	0%	Mexico
25	CVS HEALTH CORP	100%	0%	N/A
26	AMERISOURCEBERGEN CORP**	100%	0%	UK
27	ARC RESOURCES LTD	100%	0%	N/A
28	A&W REVENUE ROYALTIES INCM	100%	0%	N/A
29	INPLAY OIL CORP	100%	0%	N/A
30	BANK OF THE OZARKS	100%	0%	N/A
	Average	**77%**	**23%**	

**Lowe's has stores located in Mexico but does not disclose the amount of revenue because it is less than 10% of total.*

***AmerisourceBergen has offices located in UK from acquiring MWI Health but does not disclose the amount of revenue because it is less than 10% of total.*

How do I see the above changing in the future? My expectation is that it will continue to grow unless we get into a commodities boom like we had from 2000 to 2008. In those days, Canada was a great place to be. Right now, we see areas of the world with more growth and we would like to participate in but we want to do so with companies that we know, that we can value and that have long track records of success in those areas. Point in case - we own Scotiabank in part because it is far different than most of the other Canadian banks in that it has decades long success investing in the developing markets. Likewise, you have heard me speak to Starbucks's growing business in China where they are opening one new store a day and of course Manulife is just a continuation of that theme. We continue to see our growing international exposure as a means to enhance returns while reducing overall risk.

With that, we are off to Track #4.

Track #4: The Wrap Up – Why We Believe It Gets Better

First, the takeaways:

Track #1: Introduction – The Skinny: A reminder, the opinions that are expressed on this recording are mine. They may differ from those of Raymond James Ltd. Please recognize some of what I told you is going to turn out to be wrong and when it becomes evident we are wrong, our intent is to acknowledge it quickly and adjust accordingly. The strategy is to keep the inevitable losses small and let the winners run.

Track #2: The Markets - A Secular Bull Redux – yes, I believe we are in a secular bull market that started in 2013 and, if that's true, we are now four years in - let's keep in mind that the average secular cycle is 14 years. Please recognize that there will be setbacks along the way and it will be important to remind ourselves of the underlying forces during those times. How do we get through the next bear market? Being a student of history certainly helps and our focus on acquiring great businesses with growing rent cheques will certainly serve us well. Last we need to be careful about getting lured into Nifty Fifty type stocks, which could be some of the FANG stocks of today. We remain bullish on the oil complex and are seeing greater opportunity stateside than here in Canada. On the Canadian Dollar, we expect it to be modestly lower between now and year end.

Track #3: The Dividend Value Discipline™ - Upping International

Our purchase of Manulife was another step in upping our already significant international exposure. We believe that to be necessary as we seek out businesses that can provide us with growing rent cheques. Again, we want to do that with companies we know, companies we can value and companies that have long term track records of being successful in international markets.

Track #4: The Wrap Up – Why We Believe It Gets Better

As our program participants know, our investment returns on a year to date basis, have been far too modest. Yes, we have had a challenging time with the currency swings this year, and yes we are handicapped by our self-induced, and we would argue prudent, decision to only focus on dividend paying stocks - but that doesn't explain it all.

A big part of our shortfall is the fact that I was way too early with our acquisition of the natural gas producer Peyto, and in this business being way too early equates to being just plain wrong...so why haven't I sold? We are smack in the middle of tax loss selling season. Investors are offsetting losers to reduce their taxes payable on the gainers they have sold. In years past, when I have joined that party, it typically ends up that I gain the tax break but end up giving up way more upside than the tax break is worth. Most times I would have been far better off buying, not selling. Some of you may recall me crystalizing losses on a company called Stoneham Drilling. It was a huge mistake on my part that cost us a ton of upside. I am not anxious to repeat such behaviour. Peyto continues to be an extremely low cost producer and I fully expect them to survive and then prosper in the next up cycle. I could have told the same story a few weeks ago with our Cameco holding – when we bought the stock last year the uranium business was so bad, we didn't think it could get much worse....and yet it did, to the point where major producers (including Cameco) have recently announced production cuts, and the market responded by putting the stock up some 30% over the last 6 weeks. Notwithstanding the pain of the last 12 months, and yes it tested my patience, Cameco now looks to be really well positioned to be a major return contributor in 2018.

Why do we believe it gets better? Because as we close out our Q3 earnings review we are seeing more of the same. En-masse, our investee companies continue to post double digit earnings growth and that is fuelling double digit dividend growth, which begs the question: If you owned an apartment block that paid you a rent cheque every month and that rent cheque was growing at 10% per year, do you think that apartment block might be worth holding on to?

With that, I will close - thank you for taking the time to listen and thank you for your patience and support throughout this challenging year. The best part of our business is helping people with their most challenging financial decisions and through that we get to see families grow across generations. We are grateful that we are part of your story and you ours. I hope and pray that you will find some time to both bless and be blessed by the ones you love over the holiday season. On behalf of the entire team here at Chris Raper & Associates, this is Chris Raper, wishing you a Merry Christmas and may God bless you and your family from Victoria, BC on Thursday, December 7th, 2017.

Track #5: Postscript I – The Dividend Value Discipline™ Methodology

The first thing to note is that **The Dividend Value Discipline™** is core to everything we do – meaning if we were approached by a prospective client and we determined that our core investment process did not fit with their investment philosophy or their need, then we are not the right advisors for that particular client – there is no fit.

You should also be aware that nothing gets any more attention at our shop than this program. The lion's share of our client assets are allocated to the program, and that includes our most senior people, my family, and me. The takeaway is that my team and I have huge vested interest in ensuring the success of the program.

The process is discretionary, meaning we make the entire buy and sell decisions and report to you after the fact. Post a new purchase, our normal course is to send an email outlining the background of the company and the rationale for the decision, five business days after it settles to your account. When we close out a position, we also send an email outlining the result and our rationale.

Our objectives for the program are:

Income every month - that can be paid out or reinvested;
An acquisition process where we buy only those securities which become attractive on a "go forward" basis;
Absolute returns of 8%+, each and every year.

Long term performance-wise, we started **The Dividend Value Discipline™** in the fall of 2002, and the average annualized return for all of the accounts that were opened that year (that are still in operation) is +7.94%, net of fees, as at the end of 2016. Throughout the course of our 14 calendar year history, we have had 13 years of positive returns and 9 years where we met or exceeded the +8% objective.

Those results have been achieved by focusing on three keys objectives, so let's walk through this with the illustration of a three legged stool.

The First Leg is Dividends

Every security that we buy must provide some form of income. We do that because income makes portfolios inherently less volatile, i.e. less chance of loss. The analogy I like to use is that of an apartment block versus a piece of raw land – it is a lot easier to hold onto the apartment block in a tough real estate environment when you are getting a rent cheque every month. Income drives stability and absolute returns.

The Second Leg is Value

Our research function is in-house. We were one of the first private client teams in the industry to have a dedicated analyst on staff and we add additional resources every year. Our objective was (and still is) to get to the truth. We do not want to depend on any outside analysts that we have little or no contact with. One of the great things about having an in-house investment team is that I can ask questions until I am satisfied that we have the right answers. We spend an inordinate amount of time studying the corporate culture. If you are interested in what that looks like, read ***Good to Great*** by Jim Collins – that is the yardstick we use to measure potential investments against. Another yardstick is the importance of wide economic moats. You can hear more on that subject by archiving the September 2013 edition of this recording on our website. We believe that the focus on great corporate culture and wide economic moats gives us an edge. Anecdotally, we can provide you with lots of evidence to support that. I remain convinced that having your own people who are totally dedicated to the investment process adds a lot of value not available at most other private client focused groups.

The more recent development in our strategy has been tackling the growth problem. History buffs will note that when we started the program in 2002, we had 5-year GICs yielding 5%, much better economic growth, and stocks benefiting from decreasing interest rates, whereas today we have 5-year GICs yielding only 2%, subpar economic growth, and the headwinds of rising interest rates. In short, the 8% is tougher to come by.

Accordingly, we spent late 2015 and 2016 tackling the “growth problem”. We need to find companies that are growing far faster than the economy. As you would expect, we start within the normal confines of “has to pay a rent cheque, score well on the corporate culture front and have some sort of strategic advantage (the moat) that makes the company difficult to compete with”. We then focus on those companies that have demonstrated their ability to grow their dividends at double-digit rates as a primary indicator of growth and capital gain potential. As we searched, we found that most such companies fell into one of two themes. They tend to be disrupting the existing marketplace with a better way of doing things or they tend to be aggregating their way to growth by buying smaller tuck-in acquisitions. More detail on our “disruptors and aggregators” themes can be found on the May 2016 edition of The Strategist which is archived on our website. I am happy to report we are currently bearing the fruit of those efforts.

The Third Leg is Discipline

Here I refer to the buy/sell decisions. We often identify extremely attractive value propositions and then delay the buying decision, why? Because, if you are the only guy in the world that sees it as undervalued, you can wait a very long time for the market to recognize that value – in other words, the stock price doesn’t rise or worse, it goes down! Those are not comfortable situations so we try to avoid them. We buy when it is apparent that the market is starting to recognize the stock as undervalued. One of the most helpful indicators is positive relative strength – i.e. is the security in question starting to outperform its peer group and the market? Because if it isn’t, there is little incentive in owning it. Sell decisions can be triggered by a number of things – when the company fails to materialize as expected, when a company’s stock price exceeds what we believe it to be worth, negative relative strength, or when we find a better opportunity elsewhere. In reality it tends to be a combination of those factors.

Perhaps the most important part of the buy/sell discipline is the way we operate the program – we call it “The Buys Only Mandate”. Unlike our competition, we only buy those securities which become attractively priced on a go-forward basis, meaning if you start today and your brother starts three months from now, your portfolios are going to be different in the short-term, and more closely aligned the longer you are in the program together. As rational as that might seem, most people do the exact opposite. Every time you buy a mutual fund, you buy a pro-rata share of an existing portfolio – by definition, you got the buys, the holds and the near sells. To us, that is not rational. Would Warren Buffett buy 100 companies in a single day? Were they all great value propositions? You should also be aware that most third party money management programs work exactly the same way – they buy the basket. Our objective is the protection of your hard earned money and we believe that the buys only mandate is consistent with that objective.

Other key points to the program: a fully invested account would normally have 20 to 25 positions in it, so we are relatively concentrated. Our fees are 1.75% per annum plus the GST or HST – it is tax deductible for non-registered accounts. Our target return is 8%+, net to you.

You should also know that when I buy for you, I buy for me. When I sell for you, I sell for me – same time, same price – and that statement also applies to our most senior people as well. Furthermore, every person on our team participates in our profit sharing plan, which means they have a vested interest in looking after you.

Generally speaking, we are looking to establish new relationships with new clients that have north of $1 million in investable assets. That said, I'm a lot more interested in where you are going, than where you are. If you have a credible plan to get to that number say within a three to five year period, we are very interested in meeting with you.

To conclude this track, if income and absolute returns are attractive to you, and you think that there may be a fit between your objectives and those of **The Dividend Value Discipline™,** then I would suggest a face to face meeting is in order. You can check out what to expect during that initial meeting by moving to Track #6 – "Is There a Fit", and that is where we are going right now.

Track #6: Postscript II – "Is There a Fit?"

Our objective – and presumably yours – during the first meeting is to figure out whether or not we have a basis for an ongoing relationship. In essence, can we work together? If so, will it be mutually beneficial? Job one is to get your tough questions off the table, so we encourage people to ask whatever is on their mind. Our responsibility is to be forthright with our answers, regardless of what it is that you might want to hear.

Before we enter into any new relationship, one of the biggies we ask ourselves is, "can we add significant value?" To answer that question we need to learn some things about you, your family, your finances and what your ideal future looks like. If you are not really sure on the latter point, we have some thinking exercises that will take us through that process.

Next we will walk you through an a la carte menu of our services that are most applicable to you. We'll outline how we will report to you and who the key relationship people will be. You will also have a very clear picture of the costs involved.

Before you leave we'll outline how we see our program fitting with your situation, or not. We will not ask you for a go/no go decision at the meeting and quite frankly, we don't want to be pressed for a decision that day either. We'll schedule a meeting of the minds call, say a week out, and then mutually agree on the best course of action from there.

At the end of the day, we are in the business of keeping our clients' most challenging financial decisions consistent with their life goals. Our mission is ongoing progress towards those goals, and the result we seek is appreciative clients who are increasingly confident about their future.

So…if that process sounds engaging, I invite you to call and book some time. If you'd like further information, including access to our quarterly communication pieces, you can check us out on the web at www.chrisraper.com and send us an email from there.

This concludes "Is There a Fit".