

# The Strategist

A Quarterly Report for Friends, Clients and Associates of Chris Raper



**Chris Raper & Associates** caters to the entrepreneurially-minded. We start by seeing the world as you see it – the things you want to do, the things you want to have, the legacy you want to leave. Our mission is to keep your most challenging financial decisions consistent with those goals. The result we seek is appreciative clients who are increasingly confident about their future.

**The Dividend Value Discipline™**, our core investment program, was founded in September of 2002, with the three-fold objectives of income every month, buying only those securities which become attractive on a go-forward basis, and an 8% net return each and every year. You will find the process innovative, rational and refreshingly transparent. Our fees are **“asset-based”**. Our research is **“in-house”**. ***We own what our clients own.***

Our services will appeal to people who want to be involved from a **“big picture”** perspective and are prepared to delegate the day-to-day responsibilities.

New clients come almost exclusively by way of introduction from our existing great clients. Generally speaking, they will have in excess of \$1.0 million in investible assets or a credible plan to get there.

You can find a profile of our people and our processes at [www.chrisraper.com](http://www.chrisraper.com).

**Chris Raper & Associates – the most proactive wealth advisory team on Planet Earth!**

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## ...and the race is on!

...it is Hillary by a neck and Limelight Bill sticking by her side. Now the ever angry Trump is dragging himself around the first corner. Wow, a new pony just bolted out of the starting gate! It's the longshot Libertarian, Gary Johnson. Gary who?

Over the course of the last three months, the question I have gotten the most is, *“Chris, what is the US election going to do to our markets?”* While the answer is unknowable, there is considerable historical precedent to draw reference points from. Below are a few that speak to me:

- ⇒ If the economy is growing (which it is) the incumbent party wins 71% of the time
- ⇒ Post the 2nd convention (July 29<sup>th</sup> this year) to election day, the market has rallied ~5% when the incumbent party wins versus a ~2% loss when they lose
- ⇒ The stock market has performed better under a Democratic President and a Republican Congress

Another observation that warrants our attention is that “political whipping boys” tend to do well in the final months of the campaign, presumably as the rhetoric tones down. For example, this is a good time to be reviewing drug companies and banks.

Turning to this year's campaign, as a Canadian, neither Clinton nor Trump are particularly northern neighbour friendly. Clinton appears to be carrying the same line as the Obama administration, i.e. no pipelines and you Canucks can keep your dirty oil - we would sooner buy ours from a dictator in Venezuela. It has to be acknowledged that the Trump approach might actually be worse - let's tear up the free trade agreement and build a wall. Is it all bluster? I expect a lot of it is, and let's recognize that even if Trump did gain the presidency, he has to lead people to get a majority vote to change legislation. Given his volatile behaviour to date, I expect that is going to be challenging. Bottom line, be it a Democrat or Republican presidency, not much changes. If you want a pro-Canada vote, then it is incumbent on you to encourage your American cousins to vote for Gary Johnson, a pro-trade, pro-less government and pro-deficit reduction Libertarian who actually might help the Canuck cause.

What to do? At this point the most likely outcome is a Clinton presidency, and because that outcome is not particularly Canada or resource based friendly, it encourages us to continue with our already significant US security exposure.

Regarding the “whipping boys”, we like the valuation propositions on some of the drug companies and find it interesting that many are already starting to perk. In all likelihood you will see a new buy notice coming soon. Bank-wise, we remain cautious until the US Fed has the courage to actually start increasing interest rates - thus far they have shown that despite their bluster, they lack the courage to do so. The easiest path for the US Fed is to do nothing and, in the face of the election, we expect that is the path they will choose. As the results of the US election are unknowable, we intend to concentrate our time and efforts on finding the businesses that grow their dividends (aka rent cheques) regardless of the outcome. We trust that is the course you would have us take.

## Riding for a Better World

*By Larissa Ruditsch*



Chris and his wife Arleen are back at it again, gearing up for their third Ryder Hesjedal's Tour de Victoria happening on Sunday, August 21st. The 140km route promises to take them on both a physical and emotional journey through Victoria's breathtaking scenery!

So why do they do it? Aside from the fun and fitness factors, Chris and Arleen are passionate about fundraising for their favourite charity, Opportunity International. What sets Opportunity International apart from other charitable providers is its "hand up, not hand out" approach which offers micro loans to entrepreneurs in 24 developing countries worldwide such as Colombia, India, Philippines and Uganda. Entrepreneurs (which happen to be 90% women) are granted a small loan to assist

them in building their business so they can provide for their families, employ others, and contribute to the economic improvement of their communities. Over time the loans are repaid, after which they are recycled as new loans to new entrepreneurs, and so on. For more information visit [www.opportunityinternational.ca](http://www.opportunityinternational.ca).

Donations of any size can make a huge impact. If you would like to contribute to Chris and Arleen's "Riding for a Better World" Campaign and help reach their inspiring goal of \$7,500, please visit their fundraiser website here: <http://bit.ly/tourdevic2016>.

Good Luck Chris and Arleen!

## Update on the Team

*By John Bataller*

The last few months have been eventful, to say the least. Chris finally finished moving into his new house, but almost as soon as the moving trucks left, the wedding party began to arrive! That's right - Erika and Luke were married on Saturday, June 18<sup>th</sup> on Chris's farm and, as you can see below, it was a beautiful event to be a part of. Of course, this means that Erika Mayer is now Erika Kuzio; the rest of the team is still getting used to this change!

Speaking of the team, we wasted no time in finding our new Client Service Representative. Larissa Ruditsch made the jump 'across the pond' from Vancouver to join the team. She already has 4 years of industry experience under her belt, and she has completed both her Canadian Securities Course and her Certified Financial Planner (CFP) designation. We are extremely excited to have her on board!

The annual Raymond James "Drive to End Homelessness Golf Tournament", held on Friday, July 22<sup>nd</sup> on the Valley course at Bear Mountain Golf Course in Victoria, was a roaring success. Spearheaded by our very own Dave Fracy, this year's event was the most successful on record, attracting 80 golfers and raising over \$38,000 for the [Victoria Cool Aid Society](#), an organization that works to end homelessness in the Greater Victoria area.

One last bit of exciting news on the professional development front - only 46% of people pass the CFA Level 2 exam, and we are happy to report that Allison McMillan is now one of them. A fantastic accomplishment any way you slice it, but one made even more notable when you consider the 19-month old at home! Congrats, Allie!

Wedding Photography by Andrew Snucins: <http://blog.andrewsnucins.ca/>



For more updates on the team and other exciting news, follow us on Twitter: [@ChrisRaperAssoc](#) or like us on Facebook: [Chris Raper & Associates](#)

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