

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.

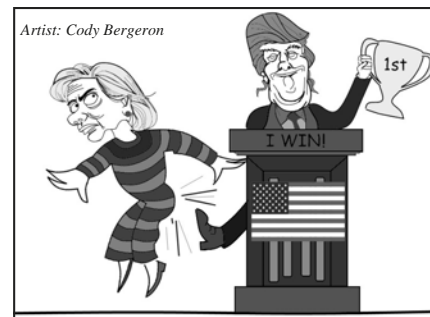
You can find a profile of our people and our processes at www.chrisraper.com.

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

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Trump Nation—I WIN!

It's official - Trump takes the Presidency and the anti-establishment vote continues to roll across the globe. Be it Brexit, the PC's being turfed in Alberta or Angela Merkel's challenges in Germany, we have not seen the last of it. Simply put, citizens want their country back - bureaucracy is going to shrink globally, which most would see as a good thing and yet the populist element points us to protectionism and shrinking global trade - not great news for Canada or the world.



Our role as “allocators of capital” is to accept the outcome and figure out how to benefit from it. To that end, let's recognize that unlike our Canadian system where we effectively hand our Prime Minister a dictatorship for their term and send them back to the polls for a fresh trial, the U.S. system does not fall into line quite so easily. They are famous for their pork barrel politics which translates to change at glacial speed. Furthermore, there are still a lot of knives out for Trump, so getting extreme measures like a wall on the U.S./ Mexican border is going to be difficult - if not near impossible. Below are what we see as important insights for investors in **The Dividend Value Discipline™**:

- ⇒ Neutral to negative on oil: Trump is a supporter of Keystone, a positive for our oil sands, and also a supporter of deregulation, making it easier for producers to increase production, a negative for oil prices. He's less stringent on renewables, a positive for our Valero position, up ~6% today.
- ⇒ Negative on the Canadian dollar: Abundant oil supplies and the threat of NAFTA renegotiation will put pressure on our energy and manufacturing sectors, and the former has to compete with new carbon taxes which are off the table stateside.
- ⇒ A positive for increasing U.S. interest rates - this will help U.S. financials and the U.S. dollar - we benefit from our ~60% U.S. dollar position.
- ⇒ A positive for the Healthcare sector and small business: Trump sees Obamacare as unduly harsh on small businesses due to costs. The likely repeal takes a lot of the presumed negatives off the healthcare sector including the Hillary-threatened price controls. Our AmerisourceBergen position closed up north of 9% today.
- ⇒ A positive for the industrials, especially as it relates to the presumed infrastructure spend - our position in WW Grainger Inc. was up ~5% today.



The above noted, here are some “last page” stories that we see as even more important than who won the Presidency. Dr. Copper (the price of copper) is on the rise and hit a new 52 week high today. That bodes well for the emerging economies and is a positive for global growth. Similarly, the Semiconductor Index, SOX, is within spitting distance of a new 52 week high, a great leading indicator for the developed economies. Third quarter earnings are coming in almost 5% ahead of expectations. We should take comfort in how resolutely negative sentiment was pre-vote as per the adjacent charts...that's bullish!

“Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies.” . . . Groucho Marx

Coming Soon: New Reporting Regulations

By: Larissa Ruditsch

Commencing in January 2017 as a result of new securities regulations, all investment clients in Canada will now receive two additional annual reports from their advisors. Yes, this means more paper (or opt for electronic) – but it's a good thing! These reports will provide full and complete disclosure regarding the amount of fees paid and performance on a per account basis for the year. Look for the following as part of your 2016 annual statements:

- **The Charges and Compensation Report:** A summary of all charges - as dollar amounts, not percentages. It outlines the compensation received by the investment dealer, including the nature and amount received from third parties, such as trailing commissions (see picture for example).
- **The Performance Report:** Provides the value of the account at the beginning of the year and the end of the year, as well as the average annual percentage return.

Total Account Management,	
Transaction & Operating Charges	\$246.00
Total Taxes (Excluding Trade Taxes)	\$0.00

Compensation earned from Third Parties	Year-to-Date
Deferred Sales Charge Commission	\$503.00
Payment from GIC issuers	\$0.00
Trailing commission	\$286.00
Other	\$0.00
Total Third Party Compensation	\$789.00

All we can say is, "It's about time the rest of the industry caught up!" Chris Raper & Associates has been ahead of the game in that Chris has been providing this information to clients since he got in the business. We continue to believe in transparency when it comes to the fees we charge and with that, the services we provide - which go far beyond portfolio management. While we hope that you find the new reports informative, our clients can still expect to receive our independently produced reporting packages for a more in-depth look at their accounts each quarter. If you would like more information on the new regulations or your statements, please get in touch and we'll be happy to answer any questions you may have.

Update on the Team

By: Larissa Ruditsch



Q3 proved to be another busy one here at Chris Raper & Associates' Headquarters. As many of you know, we said goodbye to Dave Fracy as he pursued an opportunity with a Mutual Fund Dealer Association of Canada firm. We thank Dave for his contribution to our team during his 5+ years of service, and wish him the very best in his new role.

In other team news, we wrapped up summer in the sunny Cowichan Valley for our annual team trip. This year's mini retreat found us at the [Fairburn Farm Guesthouse](#) – a homestead-era B&B on a working water buffalo dairy farm. In between strategic planning sessions we snuck in some free-time including a group bike ride, but the highlight of the weekend was our evening at [Deerholme Farm](#); here we indulged on an amazing Forest + Farm to Table dinner prepared by local author and chef, Bill Jones – a must to check out if you're in the area.

Finally, a special congrats to Alex Vozian: Earlier this month, he took part in the global financial modeling competition (Model Off 2016) with over 3,000 participants across the globe. While he didn't make it into the top 20 participants to move to the final level, he ranked among the top 25% overall - that's no small feat! Only two years ago our other analyst, Allison McMillan, finished in the top 20%. Way to go, Team Analysts!



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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