

*This dispatch is broadcast in nature and is intended for participants (and interested parties) of
The Dividend Value Discipline™.*



Black Monday Redux?

Yes, the market sold off in what appeared to be “panic mode” this morning. This dispatch will bring you up to date regarding the current performance of **The Dividend Value Discipline™** and our latest thinking on “where to from here?”.

First, the bad news. Yes, we have lost some ground from our month end "new high water mark" as at July 31/15. The good news is that at the close of trading today, we are still positive on a year to date basis (~1%). For your awareness, the S&P 500 Index is pegging in at roughly -8% at today's close on a year to date basis, whereas Canada's TSX Composite Index is down approximately -11% year to date.

Moving to the "where to from here", as I watched the S&P 500 plunge almost 5% in the first 15 minutes this morning (after a ~5% decline last week), I wondered if today's markets would be a repeat of or at least rhyme with October 19, 1987. Dubbed **Black Monday**, it still stands as one of the worst one day selloffs in market history, with the Dow Jones Industrial Average dropping some 22%. Thankfully, today was not **Black Monday Redux**. While anything can happen in the short term, those that find ultimate investment success have a penchant for moving against the panic, not embracing it. To that end, here is what I know about current market conditions:

- You can cut the fear with a knife (a contrarian indicator). This is illustrated in CNN Money's [“Fear and Greed” Index](#), which is sitting close to where it bottomed out last October (see below).



- We are in a great position to take advantage of the recent weakness - we entered last week at ~55% dividend paying equities and exited today at roughly 61% - our cash position is roughly 13%.
- Markets are oversold in the extreme and great companies can be bought with dividend yields that exceed 5 year GIC rates (and in some cases double them)...and those dividends tend to grow!

I will have a full update and much more to say on the next recording of **The Opportunity Update**, now scheduled for dispatch on Friday, September 4th.

Yours truly,

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