

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

**RAYMOND JAMES®**

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## **The “Brexit” Update**

As most of you are aware, the United Kingdom (UK) voted yesterday in favour of leaving the European Union (EU).

Going into the vote, oddsmakers were favouring the “Remain” side to win, so as a result of the surprise outcome, stock markets across the world sold off sharply today. Losses for major European stock indices ranged from -3.2% in London to more than -12% in Italy and Spain. Here in North America, the sell-off was slightly more muted, with Canada’s S&P TSX Composite Index down -1.69% and the U.S.’s S&P 500 Index down -3.60%.

As far as **The Dividend Value Discipline™** is concerned, our “model account” (balanced mandate) was down -0.41% on the day - significantly less than the market indices. We were aided by our significant exposure to the U.S. dollar, as well as our bonds and gold stocks. Our recent tactical move to sell Apple (down -2.81% today) to buy Casey’s General Stores (up 2.60% today) certainly helped as well!

We also used today’s sell-off to backfill holdings for many clients who have recently joined the program or deposited money. If we see continued weakness into next week, you can expect us to do more of the same.

Longer term, there is obviously the potential for other EU countries to hold votes similar to the UK’s, and/or for Scotland (and perhaps Northern Ireland) to explore leaving the UK. Uncertainty generally leads to market volatility, and we will be working hard to take advantage of any volatility, i.e. being greedy (buying) when others are fearful and being fearful (selling) when others are greedy.

Please don’t hesitate to touch base with us if you have any questions or concerns. We are here to help!

Yours truly,

Ryan Cramp  
Portfolio Manager, CIM

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