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

Chris & Ryan's Timely Market Dispatch

Flash Crash or Something more Ominous?

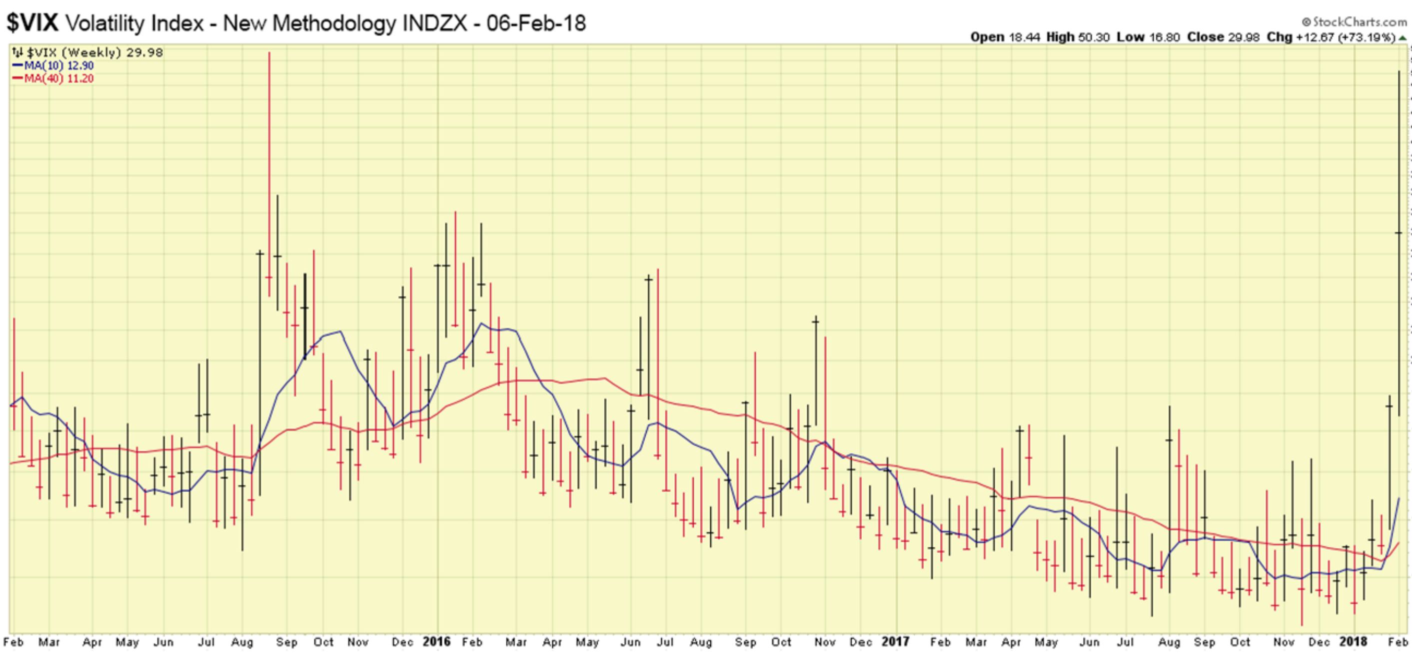
To give you some perspective on Monday's record breaking 1177 point drop (almost 1600 points intraday) for the Dow Jones Industrial Average, please note that it translates to:

- A 4.59% decline for the day – the 14th largest % drop on record.
- It wiped out all YTD gains (which were an extraordinary +5.8% to the end of January) with the DJIA pegging in at -1.51% on a year-to-date/local currency basis to Monday's close.
- Its influence was felt around the world, with all global markets feeling the impact – Canada's S&P/TSX Composite Index was at -5.39% on a year-to-date basis to Monday's close.

The selloff in the broader based S&P 500 Index was roughly 9% off of its all-time record high intraday high of 2873 posted January 26, 2018, versus yesterday's intraday low. From our perspective, this is a healthy setback which was long overdue. By no means can we assure you that it is over, and on the flip side, there are lots of positives that lead us to bias the "it's a correction, not the start of a bear market statement" scenario. Put another way, the market was just too far ahead of itself on the backs of:

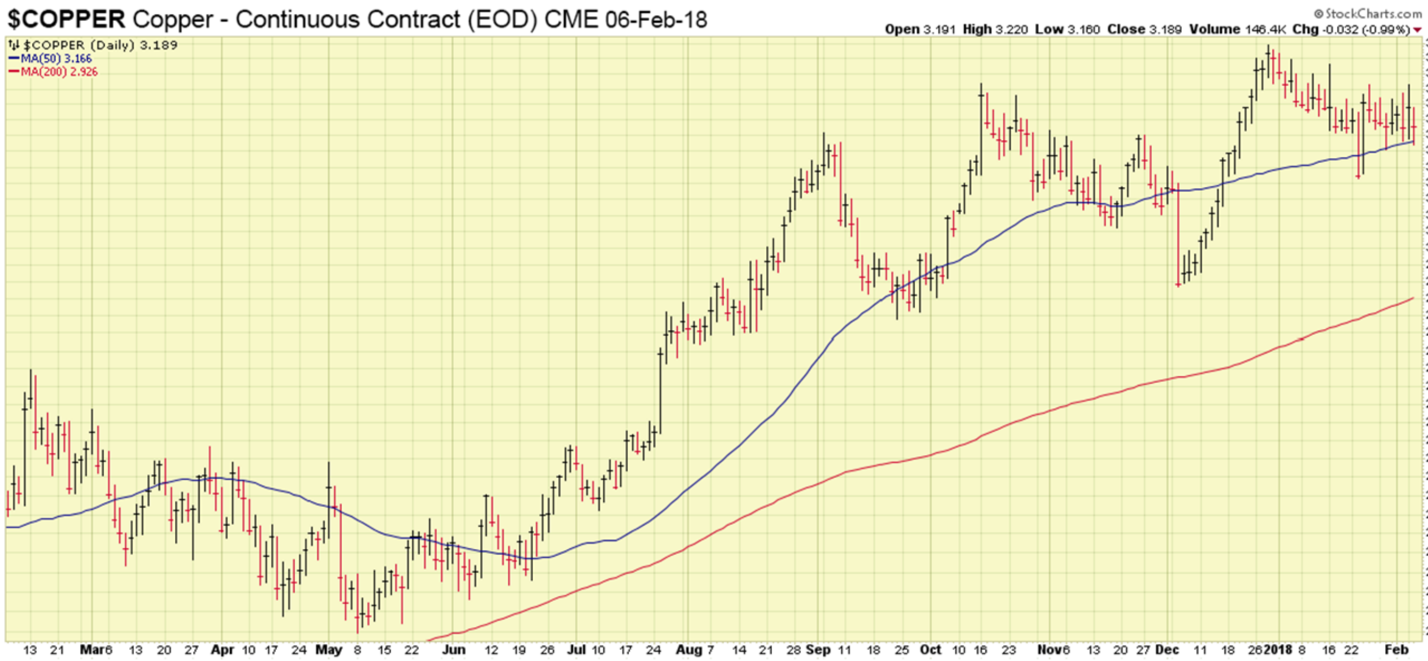
- U.S. tax cuts which leaves more money for wage increases, ergo increased consumer spending, share buybacks and dividend increases
- Deregulation in the U.S. which provides confidence for capital spending
- Subsequent investor enthusiasm which was at a 20-year high at the end of January

Obviously, a lot of that enthusiasm (greed) turned to fear yesterday with the Volatility Index ($VIX - a fear gauge) pegging three year highs...and that's a good thing. We are much happier when markets crawl a wall of worry. The adage, "be greedy when investors are fearful and fearful when investors are greedy" applies. As you would expect, we did spend some cash during the melee, acquiring a new company to the program in the technology space. Program participants will get our usual one page summary on said company next week. It is worth noting that its rent cheque is a healthy 2.6% and we think it can double every six years.



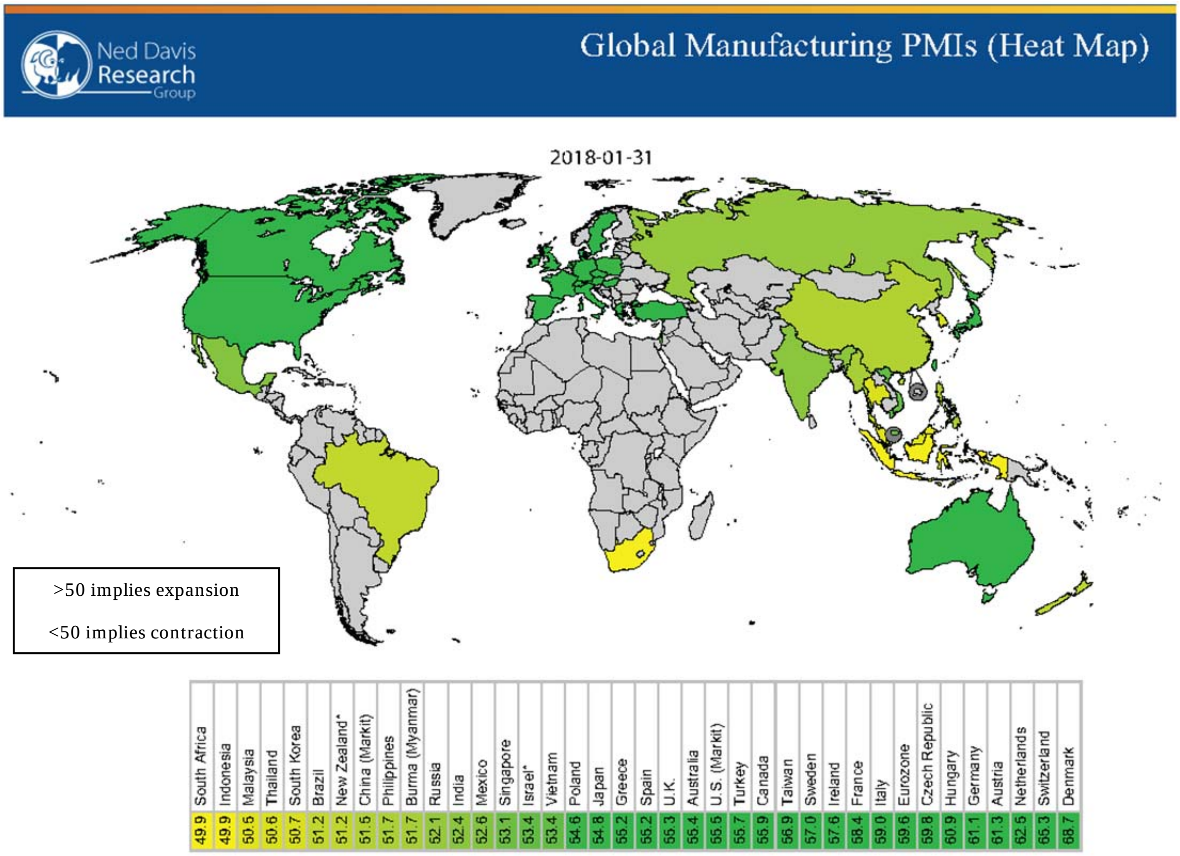
So why do we believe it is a correction not a pending bear market? Here is what we are seeing:

- Copper is still trading north of $3.20 per pound, pointing to robust demand for "stuff'" and strong growth in the developing economies



- The Philadelphia Semiconductor Index ($SOX) closed at 1300, versus below 1000 a year ago, again pointing to robust demand for "intellectual capacity" in the developed economies

- The global purchasing managers manufacturing index (PMI) continues to show the global expansion is broad-based, as per the graphic below.



We need to understand that the selloff has raised some doubts in investor's minds and the usual course from here is a lot of back and forth where boogeymen come out of the closets, but the weight of the evidence leans bullish. Accordingly, we will be grateful for any buying opportunities we are presented with.

Please reach out to us if you would like more colour.

Yours truly,

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Chris Raper & Associates - *the most proactive wealth advisory team on planet Earth!*