

Chris & Ryan's Timely Market Dispatch:

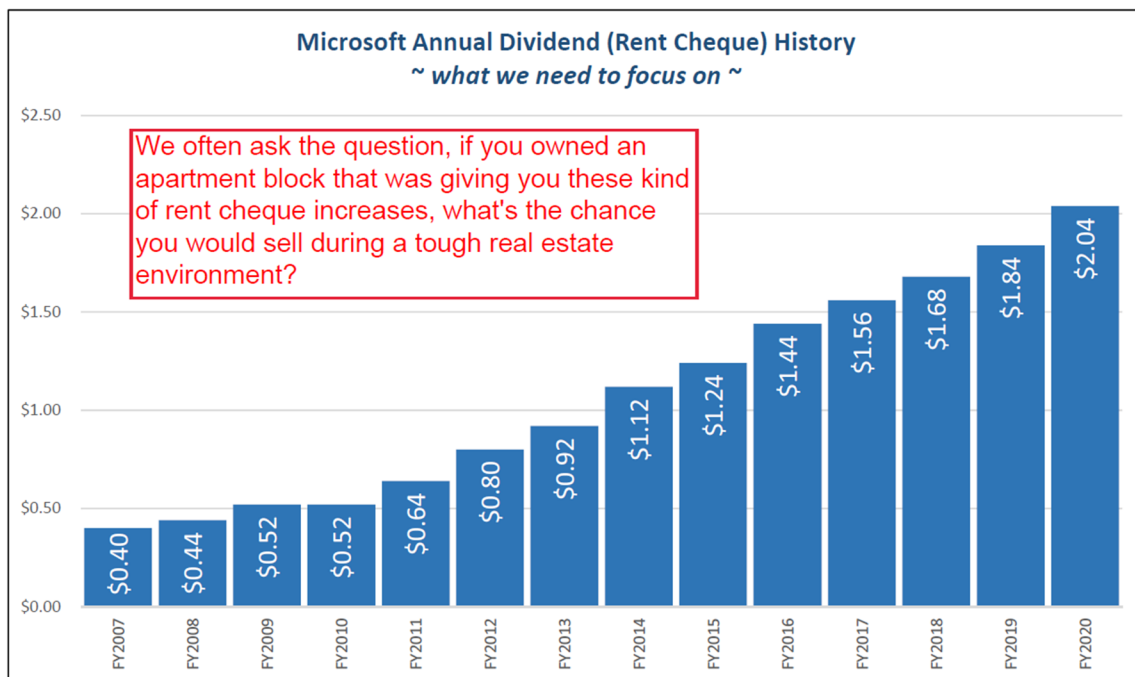
Perspective

Our business and our people were created for days such as this – with triple digit losses stacking up on the Dow Jones Industrial Average like pancakes on [Shrove Tuesday](#), these are the days where we get to bless our clients, friends and families with sober perspectives during the current market panic. Yes, it gets us out of bed really early, raises the energy bucket, and it brings us to work super excited to reach out and help our clients make better decisions.

So let's start with rule 1 – the number one determinant in lifetime returns is investor behaviour. Nobody escapes this truth, better behaviour equals better outcomes.

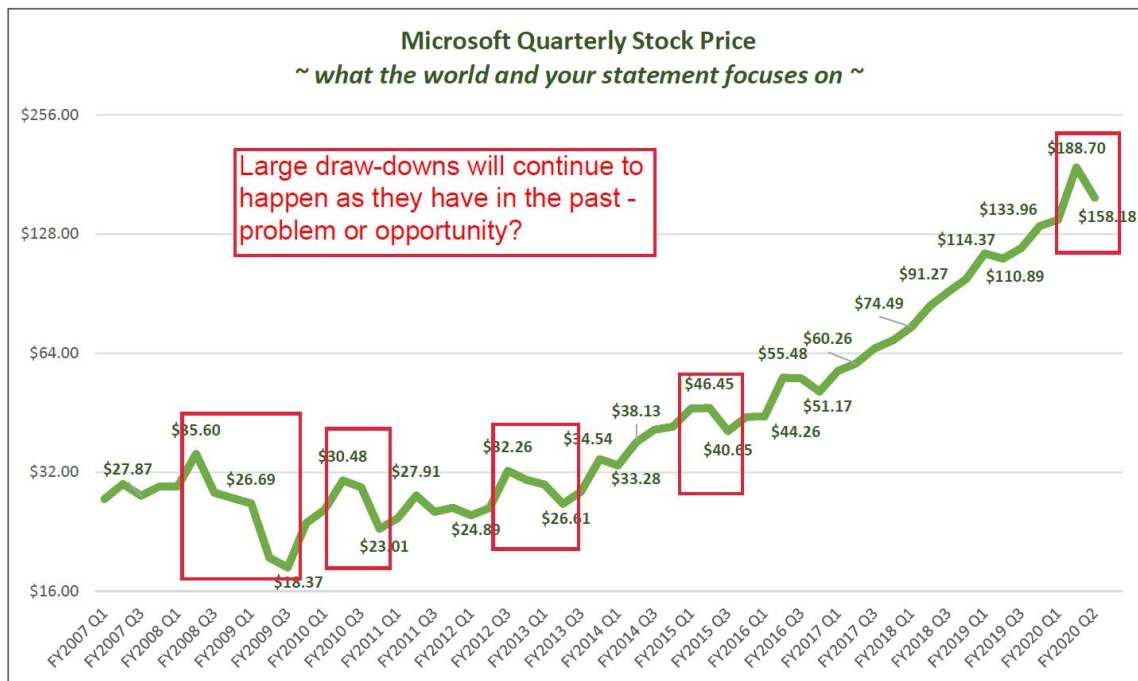
Moving to rule 2 – income matters! As you know, we are primarily focused on dividend paying stocks and heavily biased to those companies growing their dividends. Why? Because over long periods of time, dividend payers outperform non-dividend payers, and dividend growers do even better.

Rule 3 - things are cyclical - keep your perspective. The graphics below highlights Microsoft, one of our long term holdings within The Dividend Value Discipline™. The top box focuses on what really matters, the dividend growth.



Source: Chris Raper & Associates and https://www.microsoft.com/en-us/Investor/FAQ.aspx#section_3

Note how those rent cheques have grown notwithstanding the 2008/09 financial crisis, the 2011 European debt crisis, the 2015/16 China meltdown/\$30 oil, the 2018 Christmas Eve market rout, the 2019 Trump trade tariffs and now coronavirus. Each one of those events gave investors a reason (excuse?) to sell, but clearly that would have been a crazy decision from an income perspective.



Source: Chris Raper & Associates and https://www.microsoft.com/en-us/Investor/FAQ.aspx#section_3

To sum up, no we don't know how long the market panic will last, whether or not we will have a recession, nor where the market will be next month or next year. We are reasonably certain of two things:

1. The rent cheques of our investee companies will continue to grow.
2. Those that sell during market panics, will not have the intestinal fortitude to buy back and are destined to lifetime of very poor returns - sub 3% is the norm.

If you are a client of ours and in withdrawal mode, you likely already have cash set aside for your income requirements, i.e. you don't "have to" sell. If you are still in accumulation mode, you should be giddy with excitement because rent cheque growers are on sale and the "go to" alternative, the 10-year U.S. Treasury, just hit an all time low yield of 1.25% this morning. Yes, it is now time to send money and we will do our best to get it legged in at attractive prices.

Let's close with a little perspective on the coronavirus itself – as I write, it has killed 2,800 people worldwide. The common flu will kill roughly 80,000 worldwide this year. The fact is, that most people who contract the virus don't even realize they have it and that's why it is so easily spread. It is those who have compromised immune/respiratory systems that are especially vulnerable.

We will be back to you next week with a full edition of **The Opportunity Update**, where we will dig deeper and highlight what we have been spending your/our cash reserves on. Please reach out if we can help.

Questions? We are here to help. Clients and those interested in our services can book time with Chris at <https://go.oncehub.com/ChrisRaper> and or reach out to our team at 250-405-2445 or toll-free at 1-877-655-5580.

Yours truly,

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