RAYMOND JAMES | CHRIS RAPER & ASSOCIATES

Chris's Timely Market Dispatch

January 7th, 2022

The Skinny - Where We Landed For 2021

What follows is the briefest of recaps as to where we landed for the Chris Raper & Associates internally managed investment strategies for the year ended December 31, 2021. Please note the figures do not include the returns from the non-discretionary side of your accounts. For most of our clients, this is the ultra-conservative side, i.e., the guaranteed investment certificates (GICs) and the high interest savings accounts (HISA) - a laughable moniker if there ever was one. Obviously the latter will have the effect of reducing household returns and please be reminded they do serve an important purpose – they ensure that we don't have to sell securities in a down market to meet your cash flow requirements. No, we are not done with down markets. The following are ranked in terms of $'s committed, high to low.

CR&A Internally Managed Mandates for The Year Ended Dec. 31/21

+25.7%	**The Dividend Value Discipline™ (balanced - ~ 75% equities/25% fixed income)**
+33.3%	**The Dividend Value Discipline™ (equities only)**
+18.0%	**The Global Active Macro ETF (GAME) Strategy**
+25.9%	**The Keep More Income (KMI) Strategy**
+11.0%	**The Tax Advantaged Preferred Share (TAPS) Strategy**
+43.7%	**The Next Cycle Resource Fund (NCRF)**
+4.7%	**The Fixed Income Cheap and Cheerful (FICC)**

The above numbers are only applicable to those accounts we manage within the Raymond James Ltd. (Canada) platform. Our cross border clients who have accounts domiciled at Raymond James USA Ltd. will have different results, in large part due to currency swings. As you know, the timing of cash flows and our buys only approach for new money translates to considerable variability in actual client experience.

In terms of bold predictions for 2022, I will refrain from making any market performance related prognostications. How the "experts" can do so with a straight face is simply beyond me. What I am very confident in is how investor behavior will play out for 2022. Here goes:

- Like every year, there will be some scary periods in 2022 and we will have a few clients who insist on selling and a few clients who will send us money during that time. Who do you think will do better?
- Some clients are going to look at the above numbers and start extrapolating them into the future – please do not do that! The returns in 2021 have been phenomenal – let's be grateful and make sure we are battle ready for the next market shock, regardless of when it occurs.
- Some clients are going to resist our counsel of "building up the safe pile" as opposed to piling money into The Next Cycle Resource Fund. Let's remember that the objective for the money should always rule the investment decision.

My final bold prediction for the future is that investor behavior will be the number one determinant of life time returns. That will be true in 2022 and every year after that. Our market counsel is built around this premise.

We will be back with **The Quarterly Opportunity Update – 4th Quarter 2021** (audio/print editions) by mid-January, complete with a full update on our environmental, social, and governance (ESG) initiatives.

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