ETF & MUTUAL FUND UPDATE

Please perform your own due diligence before making investment decisions. The contents of this newsletter do not constitute a recommendation to buy or sell securities.

IN THIS ISSUE

Market Radar		
Markets	**TSX Composite**	**S&P 500**
P/E	15.00	18.89
Yield (%)	3.50	3.57
YTD Performance (%)	12.40	10.17
Top Performers	**ETF**	**Mutual Fund**
1-Month	BetaPro S&P 500 VIX ST Futures ETF	3iQ Global Cryptoasset Class A CAD
YTD	Canadian Crude Oil ETF	3iQ Global Cryptoasset Class I USD
3-Year	FT AlphaDEX US Technology Sector ETF	Resolute Performance
Market data as of June 3rd 2019; top performers as of month-end.		
Note: We are no longer including leveraged ETFs in top performers list		

ETF Spotlight - Defiance Next Gen Connectivity ETF - FIVG

By Barkha Rani

Rogers, Huawei, AT&T and many other carriers are working towards launching 5G networks this year. The 5G theme has been in the news for quite some time now. But what exactly is 5G, and how is it better than 4G?

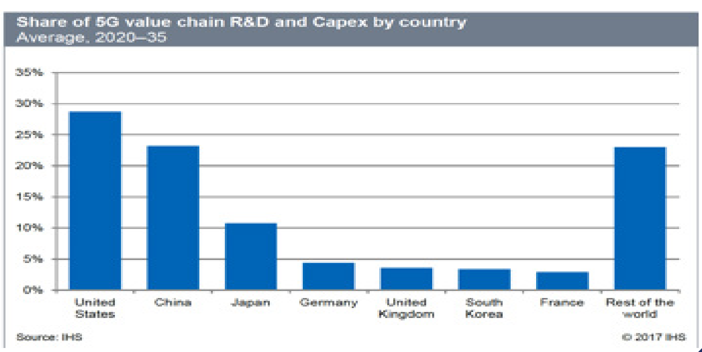
5G is the fifth-generation cellular network technology providing broadband access. 1G is the technology that enabled the first cellphones, 2G brought text messaging, 3G introduced internet access to the cell phone and 4G brought higher speeds. 5G could bring capacity for volumes of data, sophisticated apps and structured capabilities.[1]

Uses of 5G

T5G allows for strength in three aspects: moving more data at higher speeds, higher reception and ability to connect more devices and sensors. The technological advances with 5G will likely enable autonomous driving, Internet of Things (IoT) and virtual or augmented reality (VR/AR) products. Consumers can expect increased and efficient cellphone coverage driving the use of broadband apps on mobile networks.

Country Investment into 5G

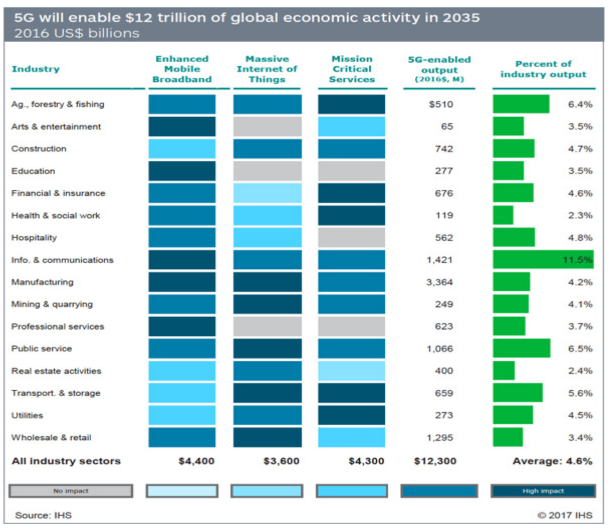
It is estimated that by 2035, 5G will enable $12.3 trillion of global economic output, which is nearly equivalent to US consumer spending in 2016. The global 5G value chain will generate $3.5 trillion in output, supporting 22 million jobs in 2035. This figure is larger than the value of today's entire mobile value chain.[2] With significant pre-commercial infrastructure work ongoing, we expect the 5G development milestones to be met. The following five countries are expect to be the flag bearers of 5G developments: United States, China, Japan, Germany, South Korea, the United Kingdom and France. IHS Markit anticipates the collective investment in R&D and Capex by firms within these countries will average over



$200 billion annually from 2020 to 2035. United States will account for roughly 28% of global 5G investment, followed by China at 24%.[2]

Industries Benefitting from 5G

5G will positively impact almost every industry sector. IHS Markit estimates the potential global sales activity across multiple industry sectors enabled by 5G could reach $12.3 trillion in 2035, representing ~4.6% of all global real output in 2035. The manufacturing sector will see the largest share of 5G-enabled economic activity, followed by information and communications and retail. Other sectors that would benefit from 5G developments include transportation, as drone sales take off, and healthcare for medical uses.



5G will enable $12 trillion of global economic activity in 2035
2016 US$ billions

Industry	Enhanced Mobile Broadband	Massive Internet of Things	Mission Critical Services	5G-enabled output (2016$, M)	Percent of industry output
Ag., forestry & fishing				$510	6.4%
Arts & entertainment				65	3.5%
Construction				742	4.7%
Education				277	3.5%
Financial & insurance				676	4.6%
Health & social work				119	2.3%
Hospitality				562	4.8%
Info. & communications				1,421	11.5%
Manufacturing				3,364	4.2%
Mining & quarrying				249	4.1%
Professional services				623	3.7%
Public service				1,066	6.5%
Real estate activities				400	2.4%
Transport. & storage				659	5.6%
Utilities				273	4.5%
Wholesale & retail				1,295	3.4%
All industry sectors	**$4,400**	**$3,600**	**$4,300**	**$12,300**	**Average: 4.6%**

No impact — High impact

Source: IHS © 2017 IHS

Defiance Next Gen Connectivity ETF (FIVG)

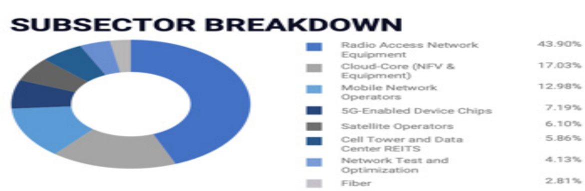
The Defiance Next Gen Connectivity ETF (FIVG) holds a diversified basket of stocks potentially benefitting from 5G developments. The ETF follows the BlueStar 5G Communications index, which tracks the performance of a group of US-listed stocks involved in the development and/or rollout of 5G networks. The holdings come from the following categories: carrier grade networking equipment including cellular antennas and routers, mobile network operators, satellite-based communications, enhanced mobile broadband chips, new radio technology, wireless network test and optimization equipment, cloud computing equipment, software defined networking or network functions virtualization, fiber optic cables, or cell tower and/or data center real estate investment trusts.

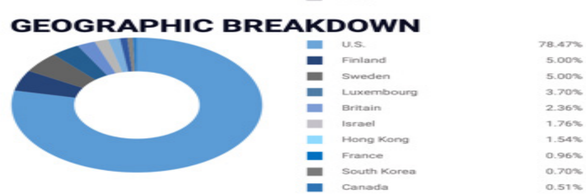
Why 5G?

Through FIVG, investors can invest in a rules-based index comprised of companies that have a material participation in 5G developments. Rather than buying an individual stock here and there, this ETF provides a niche thematic approach to this upcoming revolution. With 57 holdings and a low gross expense ratio of 0.3%, we think it is a fund worth looking into. It provides exposure to those leading the market, including Verizon, AT&T, Nokia, Ericsson, Qualcomm and Cisco.

Digging Deeper

FIVG is the only ETF providing investors specific exposure to equities benefitting from rising 5G investments. Holdings in the ETF include well-established semiconductors such as Broadcom, Qualcomm and Xilinx. In addition, FIVG also provides meaningful exposure to global 5G telecommunication equipment providers such as Nokia and Ericsson.





Risk

Since the ETF has only traded since early March this year, there is not much history to it. It is not yet a "seasoned" ETF. Despite that, the Assets Under Management and volume have been steadily increasing since its listing.

Closing Notes

5G is an investment for the next decade or two. In previous generations, we saw the biggest revolutionizing changes in the telecommunications industry. To give an example, the first 4G phones in the U.S. appeared in 2010. However, relevant and compatibility applications appeared much later, including names such as Uber, Whatsapp, Spotify and Snapchat, and gained a massive number of users. LTE networks were widespread by 2014. We can expect 5G applications to gain more traction in 2022-2025. 5G will have a profound impact on our lifestyles and interactions and will have material impacts across all sectors of the global economy. 5G's emergence will enable new classes of advanced applications, further economic growth, encourage business innovation and integrate value chains. It is an undeniable trend and FIVG is currently the only ETF providing direct exposure.

1-https://www.defianceetfs.com/fivg/factsheet

2-https://cdn.ihs.com/www/pdf/IHS-Technology-5G-Economic-Impact-Study.pdf

Energy Sector ETFs: For Active Traders Only

by Richard Morrison, CIM

Commodity-based Exchange-Traded Funds (ETFs), like the companies they hold, differ from the broad stock market in two important ways. First, while stock markets generally climb over the long run, commodity prices tend to move sideways, with wide swings along the way. Resource shareholders and investors who hold units in resource ETFs must try to profit by trading since a buy-and-hold strategy offers no advantage. Second, resource ETFs tend to perform in line with the underlying commodity price, regardless of how well their constituent companies are managed or where they're located. A rally in oil prices, for example, increases the share price of almost all oil producers and the ETFs that invest in them, while a downturn in the oil price has the opposite effect.

The long-term performance of energy ETFs shows why resource and commodity traders must watch their investments closely, taking profits or cutting losses with market movements. Examples of trading strategies are the "cut your losses and let your profits run" method, or the "sell half when the price doubles," concept, or a blend of both.

In the United States, ETFs that track the performance of oil and gas indexes have performed poorly over the past five years, while Canadian energy sector ETFs, hampered by opposition to new pipelines, have done even worse. Global oil prices plunged in 2015 and although there has been some recovery, the current $62 USD a barrel price for West Texas Intermediate (WTI) crude oil is still well off its highs of $85 USD to $90 USD a barrel in 2014.

For energy sector ETF investors, risks go beyond oil price fluctuations. As State Street Global Advisors summary prospectus for its Energy Select Sector SPDR Fund says: "Companies in the energy sector may need to make substantial expenditures, and to incur significant amounts of debt, in order to maintain or expand their reserves. Oil and gas exploration and production can be significantly affected by natural disasters as well as changes in exchange rates, interest rates, government regulation, world events and economic conditions. These companies may be at risk for environmental damage claims." [1]

Units in the largest ETF that tracks the oil price, the United States Oil Fund (USO), with US$1.5-billion in Assets under Management, plunged to just $9 USD in early 2016 from $39 USD in mid-2014. Although its units have since managed a slight uptick to $12.84 USD, it has been a poor long-term holding, as a $10,000 USD investment made in the fund at its inception in 2006 would be worth just $1,855 USD at the end of March, the fund's site says.

The BMO Investorline site lists 28 U.S. and 11 Canadian energy equity ETFs, and their performance over one-, three- and five-year periods is almost universally horrible. Not a single energy ETF in either country has registered a positive return over the past five years. This year, however, energy sector ETFs have come to life.

The Energy Select Sector SPDR Fund (XLE) is the world's largest energy ETF, with $13.21-billion USD in assets. The fund, launched in 1998, has a gross expense ratio of 0.13%. Fully 22.5% of the fund's assets are in Exxon Mobil, 19.3% in Chevron and 6.2% in ConocoPhillips, with between 3% and 5% in such large-cap names as EDG Resources, Shlumberger, Occidental Petroleum, Marathon Petroleum, Phillips 66, Kinder Morgan and Valero Energy. Although the fund has a dismal -4% return over the past five years, it's up more than 16% this year, led by gains in Exxon Mobil and Chevron.

The largest energy ETF in Canada is the $700-million iShares S&P/TSX Capped Energy ETF (XEG), launched in 2001. XEG has roughly one fourth of its assets in Canadian Natural Resources Ltd. and another quarter in Suncor Energy Inc. The other half of the fund is made up of Encana (7.6%), Cenovus Energy Inc. (7.4%), Imperial Oil Ltd. (5%) and smaller stakes in 27 other Canadian energy companies. The fund, which carries a Management Expense Ratio (MER) of 0.61%, pays a quarterly distribution yielding about 1.8%. XEG has logged a dismal negative 10.6% return over the past five years, and has hardly been a bonanza over the past decade. An investor who put $10,000 into the fund 10 years ago in 2009 and managed to patiently hold on since then would have $7,500 at the end of April, according to the iShares site. By comparison, $10,000 invested 10 years ago in the iShares Core S&P/TSX Capped Composite Index ETF (XIC), which tracks the broad TSX Composite Index, would be worth $22,000. Like the giant U.S. fund, however, 2019 has been a turnaround so far and the fund is up nearly 18% this year.

The best performing Canadian energy ETF so far this year is also the top performer over the one- and three-year marks, yet it has attracted little interest from investors and remains tiny and thinly traded. The Horizons Canadian Midstream Oil & Gas Index ETF (HOG), launched in mid-2014, has just $10.7-million in assets and an average daily trading volume of only 6,000 units over the past year. The fund, which carries an MER of 0.55%, holds a roughly 8% stake in each of 13 pipeline and storage companies including Tidewater Midstream and Infrastructure Ltd., Altagas Ltd., TC Energy Corp. (formerly TransCanada), Enbridge Inc., Parkland Fuel Corp., Gibson Energy Inc., Pembina Pipeline Corp., Kinder Morgan Canada, Keyera Corp., Shawcor Ltd. and Mullen Group Ltd. The fund is up nearly 20% so far this year and has a one-year record of 11.1%, with 8.4% over the past three years. Its estimated annualized quarterly distribution yield is 4.6%. The fund's small size and short track record represent higher than normal risk, however.

In the United States, the best performing oil and gas ETF is the tiny $18-million USD Van Eck Vectors Oil Refiners ETF (CRAK), which has achieved a solid 16% gain over the past three years, largely because oil refiners generally benefit from lower oil prices. Launched in August 2015, the fund carries a gross expense ratio of 0.72% and pays an annual distribution in late December of about 2%. The fund includes companies that refine crude oil into gasoline, diesel, jet fuel, naptha and other petrochemicals. CRAK is well diversified geographically, with its 24 refining companies spread among 15 countries, none from Canada. Its largest holdings are Reliance Industries Ltd. of India, Phillips 66, Valero Energy Corp. and Marathon Petroleum of the United States, Idemitsu Kosan Co. Ltd. and Jxtg Holdings Inc. of Japan, Neste Oyj of Finland, Sk Innovation Co. Ltd. of South Korea, Omv Ag of Austria and Galp Energia Sgps Sa of Portugal.

Oil and gas ETFs provide diversification within the industry, effectively eliminating company-specific risk. Most have been a disastrous long-term investment, however, and outside of a few funds that focus on energy transportation and refining, energy sector ETFs are unsuitable for buy-and-hold investors seeking long-term growth. For market timers and other active traders who don't mind watching their portfolios carefully, taking profits and cutting losses as the case may be, energy sector ETFs are a reasonable choice.

1 https://us.spdrs.com/public/XLE_SumPro.pdf

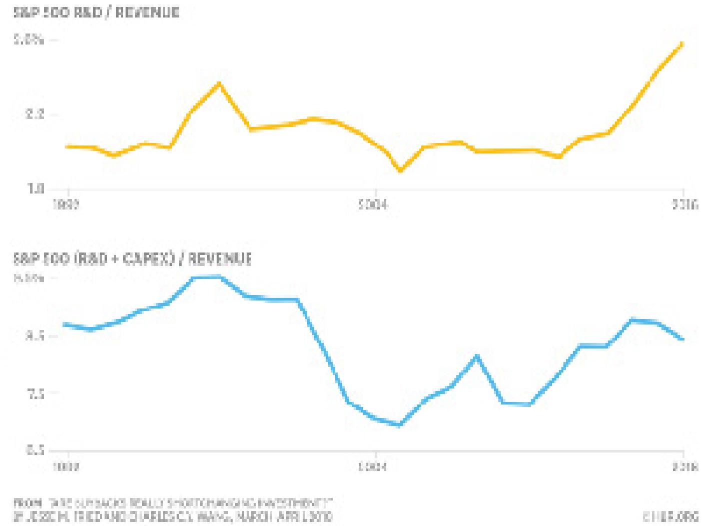
ETF Recommended List - June 2019

by Moez Mahrez, CFA

Over the last few months, there have been topics we found relevant to our Exchange-Traded Funds (ETF) recommended list including the potential banning of share buybacks in the United States, concerns for the health care sector in the U.S. over "Medicare for all" policies and the recovery of oil prices. At 5i Research, we continuously emphasize the importance of filtering out the noise in the media when making investment decisions. In this review of the ETF recommended list, we will take a look at how these developments might affect some of the ETFs on our list and how relevant we think some of the news actually is.

Invesco BuyBack Achievers ETF (PKW)

The subject of share buybacks has been one of controversy lately as some lawmakers in the U.S. introduced a bill to ban open market buybacks. Those who are against corporate buybacks essentially argue that companies should allocate capital to grow their business and create more synergies in the economy to bring about prosperity (employ more workers, innovate etc.) rather than just to provide a short-term boost in returns for shareholders. According to a report by Harvard Business Review[1], during the period of 2007-2016, the average ratio of earnings returned to shareholders of companies in the S&P500, reached a whopping 96% of net income. This frequently stated figure tends to shock most people yet ignores a few facts. First, the S&P500 only represents about 50% of businesses in the U.S. and 20% of employment. An end to share buybacks may not have the desired trickle-down benefit to the economy and workers as many would think. Secondly, net income excludes other expenses that have to do with innovation, research, development and other investments, so this may skew the perception of what is being "taken away" from the economy. Finally, investment spending as a percentage of revenue has actually been on the rise during the 2007-2016 time period (see table below). It is also harder to make a case against companies who are very capable of buying back shares while still being able to grow itself and benefit the economy long-term. This is why we like Invesco BuyBack Achievers ETF (PKW) on our recommended list. The top 10 holdings which occupy 44% of the fund are quality names like Apple, Citigroup, Union Pacific Corp, Cisco Systems Inc and Starbucks, whose contribution to the economy and commitment to innovation are undeniable.



iShares Global Healthcare Index ETF (XHC)

One morning back in April, many investors remember waking up to a 4% slide in health care stocks in the U.S. across the board, and even some in Canada. The sell-off was more of a panic sell moment from fears that "Medicare-for-all" in the U.S. would put serious pressure on margins of health care companies as the government aims to reduce the cost of health care for the average citizen. These fears have resulted in the health care sector being one of the lagging sectors in the market rally we have seen this year. According to Kaiser Health News[2], U.S. health companies lost ~$150 billion in market-cap value in just four days. However, like many sell-offs, we think this one was overdone and represents an opportunity to get back into the space. If you are looking to capitalize on the U.S. drop, the table below shows the health care ETF we like and performance over the last 3 months and 5 years, average price-to-earnings ratio and management expense ratio (MER). With the U.S. representing 70% of the XHC fund, we think it's a good option for exposure to health care while providing some geographic diversification in case of volatility in the U.S. markets. Over the last 3 months (when concerns over the health care sector in the U.S. were getting attention) XHC did well in protecting investors in the short-term and outperformed its purely U.S. broad-sector counterpart ETFs.

US Health Care ETFs	3-Month Performance (%)	Performance YTD (%)	5 year Return (%)	P/E (Benchmark: 15.09)	MER (%)
Health Care Select Sector SPDR Fund (XLV)	-1.03	3.82	10.81	15.44	0.13
Vanguard Health Care ETF (VHT)	-0.73	5.32	11.42	16.47	0.1
iShares U.S. Medical Devices ETF (IHI)	4.8	12.45	19.34	24.43	0.43
iShares Global Healthcare Index ETF (XHC)	0.32	5.58	8.43	16.13	0.65

BMO Equal Weight Oil & Gas Index ETF (ZEO)

We wanted to highlight ZEO as an example of when a particular space is not doing so well, the performance of any particular company or fund is limited by the economics of that industry. In Canada in particular, the slump in the energy sector has been a long one, and even the bigger companies have not recovered from the plummet in oil price in late 2014. Due to some narrowing in price differentials, the Canadian oil and gas industry has been able to benefit more from the rise in oil prices in the first few months of the year. However, these positive developments seem to be a result of short fixes like government-enforced production cuts, while pipeline bottleneck issues continue to be the long-term problem, with many legal and political hurdles in sight. The industry's economics can be somewhat convoluted as there are many players including production and exploration, pipeline operators, oil services and refiners, who are all affected by various factors. What we do know is that the bigger players with more cash tend to stand more for chance than the smaller single-focused players in this capital-intensive industry. For this reason, we like the exposure that ZEO provides. At 5i Research, we are not the biggest fans of energy companies and energy funds due to the dimmer outlook of the sector (not to mention almost consistent negative returns). However, we do like that ZEO gives investors the advantage of higher exposure to large-cap oil and gas companies. Moreover, it is an equal-weighed fund which provides a better company diversification play. This diversification effect can be seen over the last 5 years, as ZEO has offered better downside protection compared to its cap-weighted peer iShares S&P/TSX Capped Energy Index ETF (XEG), returning -9.56% compared -11.49% for XEG on an annual basis. For more ideas on energy ETFs and how to play them, please see the "Energy Sector ETFs" article in this issue.

When hearing a piece of news, whether positive or negative, it is important to consider the long-term trend of that space and whether or not that piece of news is even strong enough to move the needle. Just as there can negative news for companies that buy back shares or the health care sector, positive news in a struggling Canadian oil industry does not necessarily mean a turnaround any time soon. Most importantly, investors should be careful in making decisions based on a few pieces of news within a short period of time. A more reasonable approach would be to monitor information over a period of time and assess whether or not a trend is forming.

1-https://hbr.org/2018/03/are-buybacks-really-shortchanging-investment

2-https://khn.org/morning-breakout/just-the-possibility-of-medicare-for-all-is-spooking-investors-into-one-of-worst-market-routs-in-more-than-twenty-years/

ETF Recommended List

Name	Ticker	Region	Category	3-year return (%)	5-year return (%)	Yield (%)	P/E (NTM)	MER (%)	Comments
Broad Market 'Core' ETF									
iShares MSCI World	XWD	Global	Broad market	11.36	10.6	1.76	17.5	0.47	If you can only hold one ETF, this should be the one. XWD offers the broadest global equity diversification with good sector balance.
S&P/TSX 60 Total Return	XIU	Canada	Broad market	9.8	6.13	2.92	15.2	0.18	The largest ETF in Canada with almost $10 billion in AUM. Roughly a 40.0% allocation to the financial sector.
Claymore CDN Dividend & Income Achievers	CDZ	Canada	Dividend	7.74	4.43	4.45	13.41	0.66	For a Canadian strategy there is a good balance across sectors. Even split over small/mid/large-caps.
Mackenzie Maximum Diversification Canada ETF	MKC	Canada	Broad market	-	-	1.75	17.72	0.67	For a Canadian strategy there is a good balance across sectors. Even split over small/mid/large-caps.
Vanguard U.S. Total Market	VUN	United States	Broad market	14.08	14.11	1.54	19.42	0.16	A total market approach offers an advantage over traditional market-cap weighted indices in that there is better representation from small-caps.
Vanguard U.S. Dividend Appreciation	VGG	United States	Dividend	13.27	13.79	1.44	21.65	0.3	Sector tilts make a good pairing to balance out Canadian sector bias.
Vanguard FTSE Developed Europe All Cap	VE	International - Europe	Broad market	7.42	-	2.98	15.44	0.23	Good diversification from a sector and country perspective. The U.K. is a roughly 30% allocation.
Vanguard FTSE Emerging Markets All Cap	VEE	International - Emerging Markets	Broad market	10.31	7.07	2.09	13.14	0.24	There are many ways to play the region: EM, BRICS, single country exposure. VEE is the low cost leader in the EM category.
iShares MSCI Japan Small-Cap ETF	SCJ.US	International - Japan	Broad market	9.05	8.53	1.33%	13.44	0.47%	High growth exposure to the local economy. More of a momentum trade. For less risk, go with a large-cap approach like EWJ or CJP.
iShares Core MSCI EAFE IMI ETF	XEF	International - Developed Markets	Broad market	8.4	6.49	2.57	14.62	0.22	Good exposure to developed markets outside North America, mainly UK, Europe & Japan. Well-distributed among sectors. MER of 0.22%.
Specialty 'Satellite' ETF									
First Asset Morningstar Canada Momentum	WXM	Canada	Momentum	9.09	5.75	1.25	19.78	0.67	WXM screens for above average returns on equity, with an emphasis on upward earnings estimate revisions and price momentum indicators.
BMO Low Volatility Canadian Equity ETF	ZLB	Canada	Low Volatility	8.26	11.19	2.52	19.16	0.39	Low volatility option for diversified exposure to Canadian equities. Overweight in utilities and underweight in energy and financials relative to TSX.
BMO Covered Call Canadian Banks	ZWB	Canada	Covered call	9.71	7.39	5.41	10.96	0.71	Covered call writing will give income investors extra yield over traditional dividend stocks at the cost of capital appreciation in an upward market.
Invesco Buyback Achievers Portfolio	PKW.US	United States	Buybacks	13.09	9.35	1.23	13.36	0.63	Share buybacks are often an overlooked source of income. PKW makes a good compliment to the traditional dividend portfolio.
Horizons Marijuana Life Sciences Index ETF	HMMJ	Global	Momentum	-	-	5.1	26.14	0.86	A high growth headline trade. Also a useful addition to slim CAD healthcare portfolios. Be prepared for a bumpy ride.
Robo Global Robotics and Automation Index ETF	ROBO	Global	Momentum	19.08	10.00	0.31	20.84	0.95	Long-term, this makes a lot of sense and should have staying power. Expensive for an ETF with an MER of 0.95%.
iShares Russell 2000 Growth	IWO.US	United States	Small/micro-cap	15.94	10.59	0.65	18.21	0.24	A useful compliment to funds such as VUN for investors looking to grow the portfolio. There is a 90.0% allocation to small/micro-cap equity.
iShares S&P/TSX Completion	XMD	Canada	Mid/small-cap	6.88	2.4	2.18	15.07	0.61	A useful compliment to funds such as XIU. Allows investors to access the small/mid-cap space not addressed by market-cap weighted products.
Sector ETF									
iShares S&P Global Consumer Discretionary (CAD-Hedged)	XCD	Global	Consumer Discretionary	9.65	9.14	1.21	17.48	0.65	With many globally recognized brands such as Starbucks and Adidas, we find it hard to limit exposure to the Canadian sector.
Vanguard Consumer Staples	VDC.US	United States	Consumer Staples	5.9	8.08	2.66	17.51	0.1	The sector is poorly served within Canada and domestic ETFs typically hold less than 10 stocks.
BMO S&P/TSX Equal Weight Oil & Gas	ZEO	Canada	Energy	-2.76	-8.49	3.16	14.79	0.61	With higher sector volatility, the equal weight strategy is appealing to limit any single stock exposure.
BMO Equal Weight US Banks ETF	ZBK	United States	Financials	18.0	10.64	1.88	10.73	0.37	Exposure to the US "Big Banks" and US Finance + Comm. Banks. Less concentration vs. CAD options. For better yield, go with Canada (ZEB).
BMO Equal Weight REITs	ZRE	Canada	Financials - REIT	13.76	9.74	4.29	8.9	0.61	Like the equal weight aspect, as peers are top heavy in a few names, notably the Riocan REIT.
iShares Global Healthcare (CAD-Hedged)	XHC	Global	Healthcare	9.76	8.97	1.56	24.75	0.65	The sector is strong in the U.S. and greater Europe. We like the high conviction with 24.0% allocated to the top five names.
BMO S&P/TSX Equal Weight Industrials	ZIN	Canada	Industrials	15.87	6.62	1.7	19.15	0.59	The sector is well-represented in Canada. Stocks are typically smaller in size vs. global peers. Average market-cap is $3.8 billion.
iShares S&P Global Industrials (CAD-Hedged)	XGI	Global	Industrials	9.04	7.31	1.69	17.43	0.65	Despite a strong Canadian sector, we always side with diversification. Average market-cap is $47 billion.
iShares S&P/TSX Global Gold	XGD	Global	Materials	2.55	1.93	0.52	28.32	0.61	Higher volatility is almost assured in the general commodity space. We like the idea of gold as an insurance/flight to safety hedge.
iShares NASDAQ 100 (CAD-Hedged)	XQQ	United States	Technology	17.9	15.55	0.45	22.48	0.39	Top five stocks account for 42.0% of the allocation and are some of the biggest technology brands globally: AAPL, FB, GOOG, MSFT, AMZN
Vanguard Communication Services	VOX.US	United States	Communications	2.15	4.82	1.7	19.12	0.1	There are no sector ETFs in Canada or that trade in CAD$, which could be expected as the sector is dominated by a handful of names: T, BCE, RCI.B
BMO Equal Weight Utilities	ZUT	Canada	Utilities	9.81	7.3	4.18	16.38	0.6	Investors should recognize many 'Steady Eddy" names here. Like the equal weight aspect, as peers are top heavy in a few names.

Fixed Income ETF

Name	Ticker	Region	Strategy	3-year return (%)	5-year return (%)	Duration (years)	Yield to maturity		Comments
BMO Aggregate Bond ETF	ZAG	Canada	Broad market	2.52	3.55	7.47	2.56	0.09	Exposure across the total fixed income market in Canada with competitively low MER. Primarily invested in government bonds.
iShares 1-5 Year Laddered Government Bond	CLF	Canada	Government	0.89	1.5	2.79	1.97	0.17	Equal split between federal and provincial issuers; an average credit rating of "AA".
iShares 1-5 Year Laddered Corporate Bond	CBO	Canada	Corporate	1.75	2	2.83	2.78	0.28	The financial sector accounts for 60.0% of issuers; an average credit rating of "A".
iShares S&P/TSX Canadian Preferred Share	CPD	Canada	Preferred Share	5.79	-0.39	15.75*	4.77*	0.5	Good tool for some diversification for the income investor. Both perpetuals and reset prefs (reset to the 5 year Gov. of Canada bond).
iShares Interest Rate Hedged High Yield Bond ETF	HYGH	United States	High Yield	8.32	-	0.2	5.79**	0.53	Suggest a maximum 10.0% fixed income portfolio weight. Sector allocation of 24.0% to communication companies, mostly small-cap.

*Trailing P/E and trailing 12-month yield

**12-month yield

Data as of April 30, 2019

