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IN THIS ISSUE

The unstable markets 1

Small setback for Buy and Hold 2

A tale of three dividend funds 4

Microsoft and IBM have pandemic advantage 7

Your Questions: Reducing risk, investing U.S. dollars 8

Members' Corner: A compliment 8

BUILDING WEALTH

The Internet Wealth Builder

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Please note the IWB will not appear next week as staff takes a mini-holiday (we publish 44 times a year).
Happy Canada Day to all.

No IWB next week.
Next issue: July 13

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THE UNSTABLE MARKETS

By Gordon Pape, Editor and Publisher

Investors are in a state of total confusion and don't seem to know which way to turn. One day they're riding high on expectations for a V-shaped recovery, or a favourable report on a vaccine test, or maybe just because the sun is shining. The next, they are dumping stocks and searching for risk-off alternatives.

Just look at what happened last week. The Dow posted modest gains on Monday and Tuesday. On Wednesday, investors suddenly became nervous and the index plunged over 700 points. On Thursday, the optimism was back, and the Dow regained 300 points. On Friday, the bears returned, and we saw another retreat of 730 points. By the time it was all over, the Dow had lost 1,140 points between Tuesday and Friday. The other major North American indexes showed a similar pattern.

This could be the start of the pull-back I've been expecting for some time, or maybe not. Investors have shown remarkable resiliency in the face of the coronavirus and the devastating impact it has had on the global economy. But last week's barrage of bad news may dampen the spirit of even the most optimistic individual. Some examples:

COVID cases spike in the U.S. The situation south of the border is truly alarming. States such as Texas, Florida, Arizona, and California are among the many reporting dramatic increases in COVID-19 infections at a time when the contagion was expected to be in decline. The negative implications for the U.S. economic recovery are obvious.

Equally concerning is the fact that no one seems to be co-ordinating a national effort to slow the spread of the disease. The Mike Pence coronavirus task force apparently still exists but it's invisible to the U.S. public. This leaves it up to individual governors, mayors, and local public health officials to formulate what has become a patchwork quilt of policies which, in many cases, clearly aren't working. None of this is conducive to a speedy economic recovery.

The Fed imposes restraints on banks. U.S. banks are in better shape than at the time of the Financial Crisis of 2007-09, says the Federal Reserve Board. That's good to know. But the Fed is still nervous and has directed the banks to stop share buybacks and not to increase dividend payments in the third quarter.

The ostensible objective is to ensure the banks have adequate capital to continue lending activities for as long as the crisis continues. But by

Continued on page 2…

Unstable markets – continued from page 1…

usurping the responsibility of bank managers and directors, the Fed seems to be signalling that problems may be building behind the scenes.

The Bank of Canada has not taken any similar action yet. But the move by the Fed, and the weakness of the economy, makes it highly unlikely we'll see any dividend increases from our banks this year.

Trade wars (again). You'd think that with the global economy in tatters, the U.S. would put aside its trade disputes for a while and focus on getting the engines of the economy back up and running. Instead, we're hearing more talk from Washington about new retaliatory measures against China. There's also a renewed threat of tariffs against the European Union, and a move to reimpose duties on Canadian aluminum. Enough, already!

Bumpy road ahead. Putting all this together, the new Governor of the Bank of Canada, Tiff Macklam, said in a speech last week that, while he expects to see some growth in the third quarter, it's going to be a bumpy road back to pre-2020 levels. The pandemic has "created an economic shock unlike anything seen in our lifetimes," he said in his first public speech since taking office.

"The course of the coronavirus is the biggest source of uncertainty," he said. "Beyond that, we don't know how global trade and supply chains will evolve, or what will happen with domestic supply and demand."

Federal Reserve chair Jerome Powell has voiced similar comments.

In short, our central banks have no clue about what the future holds. No wonder the stock markets are in turmoil.

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SMALL SETBACK FOR BUY AND HOLD

By Gordon Pape

I created the IWB Buy and Hold Portfolio eight years ago, in June 2012. It has a very simple goal – invest in great stocks and then hold on to them, no matter what the market is doing. Over the long term, the strategy works. There are ups and downs, of course, but the underlying thesis is that the long-term trend of the markets is up. If you own good stocks, they'll move with it.

This portfolio consists mainly of blue-chip stocks that offer long-term growth potential. It also has a small fixed-income holding. The original weighting was 10% for each stock with a bond ETF that started with a 20% position but has now been reduced because equity increases have outpaced the bond market.

I used several criteria to choose the stocks. These included a superior long-term growth profile, industry leadership, a good balance sheet, and relative strength in down markets.

The objective is to generate decent cash flow (all the stocks but one pay dividends), minimize downside potential, and provide slow but steady growth. The target rate of return is 8% annually.

These are the securities we hold with comments on how they performed since my last review in December. Prices are as of the close of trading on June 24 – a day when the markets recorded big losses.

iShares Canadian Universe Bond Index ETF (TSX: XBB). Except for a brief hiccup in March, this bond ETF has been a pillar of stability in this portfolio as the market has experienced its worst turbulence in more than a decade. The units are ahead $1.47 since the last review in early December. Because of timing, we received seven distributions totalling $0.506 per unit.

BCE Inc. (TSX, NYSE: BCE). When the market dropped in March as the impact of the pandemic became clear, most stocks were dragging down with it. That included BCE Inc., which lost a lot of advertising revenue when the economy shut down. The shares dropped as low as $46.03 before recovering to some degree. In March, the company raised its quarterly dividend by 5% to $0.833.

Brookfield Asset Management (TSX: BAM.A, NYSE: BAM). The good news is that we benefitted from a three for two stock split in April. The bad news is that the shares were hard-hit by COVID-19, largely because of Brookfield's extensive property holdings and concerns about rent payments. We still have a big gain here, but it has been eaten into by this downturn.

Continued on page 3…

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Buy And Hold portfolio – continued from page 2…

CN Rail (TSX: CNR, NYSE: CNI). CN stock held up much better than might be expected during the period. The railroad was hit by blockades and the economic fall-out from the coronavirus, but the shares are down only $1.20 since the last review. In fact, with dividends included, we made a small gain over the period. The dividend was increased by 6.9% in March.

Enbridge (TSX, NYSE: ENB). After appearing to right the ship, Enbridge has been in retreat and the share price is down $9.54 since the last review. A dividend increase of 9.8% did nothing to restore investors' confidence. We received two payments for a total of $1.62 per share.

Toronto Dominion Bank (TSX, NYSE: TD). Interest rates near zero are not good for bank stocks and they have all taken a big hit. TD shares are down more than $15 from our last review. I think that's overkill and we should see some recovery in the next six months. The dividend was increased by five cents per share in April.

Alphabet (NDQ: GOOGL). Technology stocks have done well during the COVID crisis. This one is up about US$132 a share since the last review. It is the only stock in the group that does not pay a dividend.

UnitedHealth Group (NYSE: UNH). After dropping to the US$188 range in March, the stock has rallied strongly and is now up almost US$10 from our last review. The quarterly dividend was increased by 15.7% to US$1.25 a share effective with the June payment.

Walmart (NYSE: WMT). Walmart was added to the portfolio a year ago and it turned out to be a good decision as this is one of the companies that is thriving in the current situation. The stock is up US$2.04 from the last review and, because of timing, we received three dividends totalling US$1.61.

Cash. At the time of the last review, our cash reserves, including retained dividends, were $2,490.12. We invested that money at Laurentian Bank at a special rate of 3.3% and earned $41.09 in interest.

Here is the status of the portfolio as June 24. For consistency, the Canadian and U.S. dollars are considered to be at par. However, the currency differential increases U.S. dollar gains (or losses) for Canadians. Trading commissions are not factored in although in a buy and hold portfolio they are not significant in any event.

IWB Buy and Hold Portfolio (updated June 24/20)

Symbol	Weight %	Shares	Average Price	Book Value	Current Price	Market Value	Retained Earnings	Gain/ Loss %
XBB	14.7	480	$31.38	$15,063.50	$33.42	$16,041.60	$404.54	+ 9.2
BCE	8.3	160	$44.58	$7,132.95	$56.59	$9,054.40	$920.97	+39.8
BAM.A	14.7	360	$15.63	$5,635.15	$44.72	$16,099.20	$312.00	+191.2
CNR	11.7	110	$43.34	$4,767.35	$116.47	$12,811.70	$232.00	+173.6
ENB	6.4	170	$41.88	$7,119.05	$40.99	$6,968.30	$537.00	+ 5.4
TD	8.8	160	$44.10	$7,055.60	$60.29	$9,646.40	$553.22	+44.6
GOOGL	10.5	8	$794.49	$6,355.92	$1,432.70	$11,461.60	$0	+80.3
UNH	11.9	45	$112.47	$5,061.15	$289.18	$13,013.10	$701.79	+171.0
WMT	12.7	115	$108.82	$12,514.30	$120.30	$13,834.50	$246.10	+12.5
Cash	0.3			$358.70		$399.79		
Total	100.0			$71,062.57		$109,330.59	$3,907.62	+59.4
Inception				$49,945.40				+126.7

Comments: The new portfolio value (market price plus retained dividends/distributions) is $113,238.21, compared to $116,808.38 at the time of the last review. That represents a decline of just over 3% over the period. I never like to see a loss but, in the circumstances, this is a respectable result.

The big losers were TD Bank, Enbridge, and Brookfield Asset Management. Gains from our bond ETF, Alphabet, UnitedHealh, and Walmart helped to partially offset the declines.

Since inception, we have a total return of 126.7%. That represents an average annual compound growth rate over eight years of 10.27%, which is well ahead of our 8% target.

Continued on page 4…

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Buy And Hold portfolio – continued from page 3…

Changes: This is a Buy and Hold portfolio, so I am not making any changes to our holdings, although I am keeping a close watch on Enbridge. However, we will add to our positions in these securities:

XBB – We will buy 10 units at $33.42 for a cost of $334.20. That will bring our position to 490 units and reduce our retained earnings to $70.34.

BCE – We'll add 10 shares at $56.59 for a total cost of $565.90. We now own 170 shares and have $355.07 left in reserve.

ENB – While the price is down, will purchase another 10 shares for a cost of $409.90. We now own 180 shares. Retained earnings are reduced to $127.10.

TD – I can't resist what looks to be a bargain price. We'll use all the retained dividends plus $49.68 from cash to buy 10 shares at a cost of $602.90. We now have 170 shares.

We now have cash of $2,394.51. With rates so low, we have to shop around for the best deals. Right now, Tangerine, which is owned by Scotiabank, is offering 2.5% for five months for new customers, so we will take advantage of that. At the next review, we'll probably move somewhere else.

Here is a look at the revised portfolio. I will update it again in December.

IWB Buy and Hold Portfolio (revised June 24/20)

Symbol	Weight %	Shares	Average Price	Book Value	Current Price	Market Value	Retained Earnings
XBB	14.7	490	$31.42	$15,397.70	$33.42	$16,375.80	$70.34
BCE	8.7	170	$45.29	$7,698.85	$56.59	$9,620.30	$355.07
BAM.A	14.5	360	$15.63	$5,635.15	$44.72	$16,099.20	$312.00
CNR	11.5	110	$43.34	$4,767.35	$116.47	$12,811.70	$232.00
ENB	6.6	180	$41.83	$7,528.95	$40.99	$7,378.20	$127.10
TD	9.2	170	$44.10	$7,055.60	$60.29	$10,249.30	$0
GOOGL	10.3	8	$794.49	$6,355.92	$1,432.70	$11,461.60	$0
UNH	11.7	45	$112.47	$5,061.15	$289.18	$13,013.10	$701.79
WMT	12.5	115	$108.82	$12,514.30	$120.30	$13,834.50	$246.10
Cash	0.3			$350.11		$350.11	
Total	100.0			$72,365.80		$111,193.81	$2,044.40
Inception				$49,945.40			

A TALE OF THREE DIVIDEND FUNDS

Contributing editor Adam Mayers joins us this week with some insights into how the pandemic has affected dividend stocks and the funds that invest in them. Adam is a former Business Editor and investing columnist at The Toronto Star. His website is adammayers.com. He lives in the Toronto area. Here is his report.

Adam Mayers writes:

The coronavirus pandemic has upended many things for investors, including long held assumptions about what constitutes safety and security when it comes to dividends.

Six months ago, who would have thought that Montreal's CAE Inc. or mighty Walt Disney Co. would have suspended their dividends? Or that, for the first time in 30 years, a Canadian bank, the seventh largest Laurentian, would have cut its payment by 40% to conserve cash.

Dividends are a portfolio anchor. Companies that can afford to pay them tend to be stable with strong, established businesses. Dividend power is a proven supercharger to returns, providing between 30% and 40% of gains over the long term. But just as the recovery in stocks since the mid-March selloff has been uneven, so has the performance of funds that specialize in dividend stocks.

Continued on page 5…

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Three dividend funds – continued from page 4…

The differences reveal the benefits of diversification and the perils of home country bias. They also show how passive funds, which follow indexes, may not be as nimble as actively-managed funds, which rely on the judgment of managers to adjust holdings.

The home country bias has come home to roost in the recent performance of Canadian-only dividend funds. They tend to be weighted towards banks, utilities, real estate, and energy. These sectors have a history of solid performance with steady dividend growth and high yields. But three of the four have been particularly hard hit by the pandemic.

Banks face higher loan losses, their margins are being squeezed, and some customers are deferring mortgage and loan payments. As the work-from-home movement grows, real estate investment trusts (REITs) are wondering how much rent they can collect and from whom. Energy companies face the twin challenges of slumping demand and rising anti-oil sentiment.

If these sectors are major components of your dividend fund, then it hasn't been doing well. It may be worth taking a closer look at what's inside.

Here are some things to consider:

- How diversified is your fund? Are the holdings all Canadian or do they include U.S., European, and some emerging market names?
- How is the fund managed? If passive, it follows an index which may have hundreds of holdings. Many of these will do little to enhance performance. An active fund means a manager, or a team, uses judgment within the fund's specific mandate. There are usually fewer holdings and weightings change with conditions.
- What portion of profits do the companies pay in dividends and can they be maintained. For example, McDonald's has been disrupted by the pandemic, with first-quarter earnings falling 15%. The company says the worst is behind it, so further declines will be more modest. It has a payout ratio of 63%, which means it pays 63% of its profits as dividends and retains the other 37% for investment in its business. That cushion is double the amount of the earnings drop.
- How is the current climate likely to affect dividend increases?

The dividend fund ETFs below hold high-quality stocks and are marketed as safe ways to generate income. All are on the IWB recommended list. Each has its own distinctive approach, which has yielded different results. One is actively managed while the other two follow indexes. They offer different degrees of geographic and sector diversification. As a result, their performance varies considerably.

Horizons Active Global Dividend ETF (TSX: HAZ)

Originally recommended by Adam Mayers on Dec. 2/19 (#21942) at $23.54. Closed Friday at $22.73.

Background: This actively managed ETF is the top performer so far this year. Its holdings are in North America and Europe and it aims to provide steady dividend income and modest long-term capital growth by investing in some of the world's best dividend paying stocks. It is sub-advised by Guardian Capital Corp. with selections based on three main criteria: dividend growth, payout ratio, and sustainability of the payout.

Performance: According to Morningstar Research, the ETF has a total return of 0.39% year-to-date (as of June 24) versus a decline in the S&P/TSX index of 8.78%. Its one- and three-year total returns are 4.20% and 6.09% respectively. The current annual dividend yield is 2.19%.

Morningstar ranks the fund as 31st out of 1,638 similar funds year-to-date.

Holdings: The ETF had 39 companies as of May 31, many of which are IWB favourites. This includes the top three: Mastercard, Apple, and Microsoft. The geographic breakdown is U.S. (69%), Switzerland (9%), and Canada (7%).

The top three sectors are technology (22%), healthcare (15%), and consumer staples (15%).

Key metrics: The fund was launched in 2010, has $179.5 million in assets under management, and comes with a management fee of 0.65%, the highest of the group.

Discussion: The ETF is the only one of the three to be in positive territory this year. The edge comes from the ETF's weighting in technology, healthcare, and consumer defensive stocks. All three sectors have outperformed. Another edge is diversification beyond Canada and the U.S.

Continued on page 6…

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Three dividend funds – continued from page 5…

While many companies in the ETF may hold off on dividend increases, few are likely to cut them.

Action now: Buy.

iShares Core Dividend Growth ETF (NYSE: DGRO).

Originally recommended by Adam Mayers on Dec. 2/19 (#21942) at $41.26. Closed Friday at $36.57. All figures in U.S. dollars.

Background: This broadly diversified, passively managed ETF follows 477 high quality U.S. stocks with a history of dividend growth. It tracks the Morningstar U.S. Dividend Growth Index. It is the second-best performer this year.

Performance: Year-to-date, the ETF is down 8.45%. The one- and three-year average annual total returns are 1.67% and 9.15% respectively. The ETF has a trailing 12-month dividend yield of 2.54% and is ranked 9th of 1,223 similar funds by Morningstar.

Holdings: The top three sectors are information technology (19.5%), financials (19%), and healthcare (19%), so the fund lacks the consumer defensive component in the Horizons ETF top three. The major holdings are Microsoft, Apple, and Chevron, two of which overlap with Horizon.

Key metrics: The ETF was launched in 2014 and has $10.5 billion in assets. The management fee is a low 0.08%.

Discussion: The ETF is down more than the 7.7% decline for the S&P 500 index (as of June 24). One reason is that dividend growth is a main criterion and many companies in the ETF are delaying or postponing increases.

While technology and healthcare stocks are beating the market, the banking sector is weighed down by the twin headwinds of narrowing spreads and rising defaults.

Even so, the yield is good, and the assets of the underlying companies are strong.

Action: Buy

iShares S&P/TSX Canadian Dividend Aristocrats Index ETF (TSX: CDZ)

Originally recommended by Gordon Pape on April 9/12 (#21214) at $22.29. Closed Friday at $21.93.

Background: This passively managed ETF has 82 holdings and has performed worst among this group. It replicates the S&P/TSX Canadian Dividend Aristocrats Index which is composed of high-quality companies that at a minimum have increased their dividends in each of the least five years.

Performance: The fund is down 18.6% year-to-date. It lost 11.8% in the past 12 months and is down an average of 0.29% a year on a three-year total return basis. The current dividend yield is a high 5.24%.

Holdings: The top sectors are financials (25%), utilities (16%), and real estate (13%). The top three holdings are TransAlta Renewables, Fiera Capital, and Transcontinental.

Key metrics: The fund was launched in 2006, has $742 million in assets and a management fee of 0.6%.

Discussion: The ETF's performance shows the hidden risks of a home country bias. Banks, real estate, and energy stocks make up almost half of the fund's holdings and are all in for a rough ride.

The S&P/TSX Capped Energy Index is down 47% this year and the S&P/TSX Capped Financial Services Index is down 17%.

Canadian banks, which could be counted on to raise dividends once and sometimes twice a year, are freezing or cutting payments. The Laurentian Bank dividend cut was a confidence shaking move.

Real Estate Investment Trusts (REITs) are actively reducing and in some cases suspending distributions, particularly in the office and retail space. The sector is among the worst TSX performers. The S&P/TSX Capped REIT Index is down 22%, almost 2-1/2 times the 9% decline of the S&P/TSX Composite Index.

The fund is ranked 92nd of 486 funds in its group.

Action now: Sell.

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MICROSOFT AND IBM HAVE PANDEMIC ADVANTAGE

By Adam Mayers

Technology stocks have shrugged off pandemic worries and staged the V-shaped recovery everyone hoped would be the case for the broader economy.

IBM and Microsoft are among those benefitting from the lockdown with their focus on cloud computing and data storage. As internet use has soared, companies that store the information and provide related services have done well.

Here are updates on these two stocks.

Microsoft (NDQ: MSFT)

Originally recommended on Apr. 9/18 (#21815) at $90.77. Closed Friday at $196.33. *(All figures in U.S. dollars.)*

Background: Microsoft is the world's largest software company, best known for its Windows operating system, which runs about 90% of the world's personal computers, and its Office suite of applications. Microsoft also owns LinkedIn, Skype, and markets the Xbox gaming system.

Performance: The shares are up 28% year-to-date and have more than doubled since being recommended.

Financials: Microsoft's latest quarterly earnings, reported April 29, were strong, beating estimates for revenues and profit. Revenue was $35 billion and net income was $10.8 billion. Earnings per share of $1.40 were 23% higher than a year ago.

Discussion & developments: Microsoft continues to build on its 2014 shift to cloud computing, which offers companies a way to store and access information remotely. Cloud revenue growth slowed in the latest quarter and may slow again as the coronavirus affects its customers. But cloud growth is in its early stages and the pandemic is acting as an accelerant.

On other fronts, Microsoft introduced an updated version of its Edge internet browser this month. Edge (#2 global browser) replaces Internet Explorer (IE) and is taking aim at Google Chrome (#1). The new features make navigation easier, reduce memory use, and speed up performance.

Microsoft's Teams software is also growing. It competes with Slack Technologies (NYSE: WORK) and Zoom Video (NDQ: ZM) both of which have gained during the stay-at-home videoconferencing boom. Team is Microsoft's platform that competes in that space combining workplace chat, video meetings, file storage, and application integration.

Microsoft has also been on the acquisition trail. Last week (June 18) it announced its third major purchase of the year, the $1.65 billion acquisition of ADRM Software Inc., based in North Carolina. ADRM sells the data organizing templates, the blueprints companies use to organize information.

Dividend: The dividend was last increased in December and the $0.51 quarterly payment yields 1.05% at current prices.

Action now: Microsoft is a buy for long term gains.

IBM (NYSE: IBM)

Originally recommended on Jan.14/2019 (#21902) at $121.46. Closed Friday at $117.19. All figures in U.S. dollars.

Background: International Business Machines is one of the world's largest technology companies with operations in over 175 countries. It gets 60% of its revenue from outside of the U.S. and competes with Microsoft in cloud computing and data analytics.

Performance: The shares are down 11% year-to-date and down 2.5% since being recommended last January.

Financials: IBM's latest quarter beat forecasts for revenue and profit although both were lower. Revenue of $17.57 billion was down 2.4% and net earnings of $1.18 billion were off 26%.

Outlook & discussion: IBM's is a big company with a history of adapting slowly and methodically. It is making investors impatient as it sheds older, low growth software and consulting services and aims at higher-margin areas like the cloud, AI, and security.

The deemphasis on mature businesses has reduced revenues, while investing in new operations has hurt profit.

The biggest bet is the $34 billion spent in 2018 on Red Hat Inc., the open source software company. Red Hat users can make changes to its software under license and then resell it, which helps IBM expand its artificial intelligence and Blockchain initiatives.

Continued on page 8…

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Pandemic advantage – continued from page …7

Taken together, the moves have pushed IBM's price to earnings ratio down to an attractive 12 versus 32 for Microsoft.

IBM has also managed to reduce its debt by 10% from its peak after the Red Hat purchase.

Dividend: IBM has been dogged in its maintenance of dividends. It has increased its dividend for 25 years in a year in a row. The quarterly payment rose one cent to $1.63 with the June payment and the stock yields a high 5.4%.

Action now: IBM is a buy for patient investors.

YOUR QUESTIONS

Reducing risk

Q **–** My view is that the markets are hugely underestimating the dire economic and social consequences of the pandemic. I am de-risking my portfolio. I have a couple of questions.

1. Do you have a view of RioCan? It is well-run and looks undervalued, but the risks are great.

2. Any views on Emerging Markets? I have XEM, which has a lot of China/Taiwan and Korea, but also much more dubious holdings in India and Russia. Best wishes. – Doug G.

A **–** RioCan (TSX: REI.UN) was the largest REIT in Canada for many years and the king of the shopping mall operators. It was a recommendation of *The Income Investor* for years, but we sold (at a nice profit) when it became apparent on-line shopping was starting to steal market share from brick-and-mortar retailers.

The trust has been aggressively diversifying its business, and the shares traded in a fairly narrow range in recent years, until they fell off a cliff in March. As I write, they are down 42.6% from their 52-week high, which may be an overcorrection.

The trust reported good first-quarter results and said it is in "good financial health with a strong balance sheet, ample liquidity, staggered debt maturities and multiple sources of financing combined with a large unencumbered asset pool."

The distribution has been maintained at $0.12 a month, which is a positive sign, since several other REITs have cut payments. At the time of writing, the yield was almost 9%.

That's a very attractive payout, perhaps too much so. At this level, buying units would not be a derisking tactic. It may be a smart move over the longer term, but when you see a 9% yield, it means there are caution lights flashing.

XEM is the trading symbol for the iShares MSCI Emerging Markets Index ETF. It also trades in New York as EEM.

As the name suggests the fund holds a portfolio of stocks from Emerging Markets including the countries you mention plus Brazil, South Africa, Thailand, etc.

As of the time of writing, it is down 10% year to date. The five-year average annual compounded rate of return to the end of May was 2.2% – not impressive when related to the risk factor.

I suggest you need to do some rethinking if you really want to reduce portfolio risk. – G.P.

Investing U.S. dollars

***Q* –** I currently hold a large cash position in U.S. dollars. I consider the U.S. equity market over-valued. Returns on USD GICs and money market instruments approach zero. What options exist for investing this cash? Are there opportunities in the U.S. bond market for a conservative investor? – Robert B.

A **–** You might want to consider the iShares Treasury Bond ETF (symbol GOVT), which closed Friday at US$28.02. This ETF invests exclusively in U.S. Treasury bonds, with maturities from one to 30 years. Treasuries are considered to be one of the safest places for your money right now and the fund has done well this year with a gain of 8.54% since Jan. 1. Don't expect that kind of return going forward but you'll probably do better than leaving the money in a savings account. – G.P.

MEMBERS' CORNER

A compliment

Member comment: Thanks for all the great recommendations your team puts out for consideration. It's much appreciated. - Margaret J.

Response: Thank you from all of us. Your comment is much appreciated. – G.P.

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