internet WEALTH builder

Vol. 27 No. 11
March 14, 2022

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BULLET-PROOF YOUR PORTFOLIO

By Gordon Pape, Editor and Publisher

We've never seen this before: a two-year pandemic followed immediately by a shooting war in Europe involving a nuclear-armed nation.

It's a situation no one expected. What do you do in a scenario no one could have imagined two years ago?

Start by taking a deep breath. Think about the probabilities of what the world will look like a year from now.

The worst-case scenario, obviously, is that everything goes completely mad, and we experience the ultimate nightmare: a nuclear exchange. If that horror should happen, your investments will be the least of your worries, assuming you survive at all. Thankfully, I think the odds are very low.

More probably, and I say this with great sadness, I believe a year from now we'll be facing a world in which Russia has taken control of a rebellious Ukraine and installed a puppet regime. The price Moscow will pay as a result of sanctions will be immense and a new Cold War will divide Europe.

Continued on page 2...

Bullet-proof your portfolio	1
Gold glitters	3
Gavin Graham picks Equinox Gold	5
Gavin Graham updates Fairfax Financial	7
Setback for Growth Portfolio	8
Gordon Pape updates NFI Group	12
Members' Corner: Why not a woman?	13

Next issue: March 21

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Bullet-proof—continued from page 1...

Western governments will rapidly increase military spending. Traditionally neutral countries like Sweden and Finland will seek territorial guarantees. Russia will draw closer to China as its economy staggers under the weight of Western sanctions.

On the positive side, oil and gas prices should start to ease as the world adjusts to life without Russian energy. That will help relieve inflationary pressures and central banks may pause their interest rate increases. The economies of Canada, the U.S., and Europe should continue to rebound, with the help of public spending and new private sector investments.

With this in mind, take a fresh look at your portfolio. You may want to make some tweaks, such as adding exposure to defense stocks and natural resources. But the main emphasis should be on protecting capital. That means focusing on stocks that have minimal exposure to geopolitical fault lines. Here are four sectors to consider.

Utilities. Most of their income is regulated and guaranteed through long-term fixed rate contracts. Revenues are stable and much of their income is inflation-protected. They are not exposed to geopolitical upheavals. That's why the S&P/TSX Capped Utilities Index is up 4.28 per cent for the month of March. Stocks I like include Fortis (TSX: FTS), Emera (TSX: EMA), and Canadian Utilities (TSX: CU).

Telecoms. The same argument can be made for telecommunications companies. Their revenue is stable and, for the most part, predictable. Their business is not threatened by foreign wars. Like utilities, these companies pay healthy dividends, which are regularly increased. The S&P/TSX Communication Services Index is ahead 4.54 per cent this month. My favourite stocks are BCE (TSX: BCE) and Telus (TSX: T).

Renewable energy. This sector was battered after being overbought in 2020 and early 2021. It's slowly turning around now as investors realize that energy generated by domestic wind, hydro, or solar power is not exposed to geopolitics, except to the extent their cost becomes more competitive as oil and gas prices rise. The S&P/TSX Renewable Energy and Clean Technology Index is up about 2 per cent so far in March after losing about a quarter of its value in the past year. I like Brookfield Renewable Partners (TSX: BEP.UN) and Algonquin Power and Utilities (TSX: AQN).

Pipelines. Russia's new energy link to Europe, Nordstream 2, now looks like it may be doomed to rust away under the Baltic Sea. But North American pipeline companies are an excellent defensive choice. Despite a pull-back on Friday, TC Energy (TSX: TRP) is up almost 17 per cent year-to-date. Enbridge (TSX: ENB) has gained about 14 per cent. Pembina Pipeline is up 21 per cent.

Short of Armageddon, all these stocks will limit downside risk and provide cash flow in these unpredictable times. Check your portfolio.

GOLD GLITTERS

By Gavin Graham, Contributing Editor

The Russian invasion of Ukraine on Feb. 25 acted as an inflection point for the commodity complex. It impacted not merely precious and base metals but also grains. Russia and Ukraine are responsible for over 25% of global trade in wheat, barley, sunflower oil, and other grains as well as (with Russian satellite Belarus) a substantial percentage of potash and phosphate fertilizers.

The biggest moves have been in certain metals such as nickel. It hit an all-time high at the beginning of the week of March 7 on the London Metals Exchange, where trading was suspended due to the difficulty of settling orders. Aluminium, copper, palladium, and even iron ore and coal all shot up on the possibility of Russian exports being hit by sanctions by the US and Europe.

The sanctions, which also cut off some Russian banks from the global SWIFT settlement system, initially did not include Russian oil and gas products. Russia is responsible for over 40% of western Europe's gas imports, and there is limited ability to use alternative supplies such as imported Liquified Natural Gas (LNG) from the US, Qatar, and Algeria. With Germany still planning to close down its nuclear plants, European leaders wanted to avoid moves that would endanger the power grid.

However, in recent days the US, Canada, and the UK have sanctioned Russian oil exports, although the reason that they can do so is they have very little exposure. Russian exports comprise only 3% of US oil imports (8% for all oil related products). Britain's exposure is only 5%, with Canada taking less than 2% of its oil imports from Russia.

When announcing the sanctions on March 8, President Joe Biden noted that the European countries were not in a position to follow his lead. But oil prices still rose to near their all-time highs, which were reached just before the Great Financial Crisis in 2008. At that time, Brent crude hit $146 per barrel (figures in US dollars) and West Texas Intermediate (WTI) oil briefly hit $139 per barrel. WTI is well above $120 per barrel at time of writing, up over 50% so far this year. The first week of March saw the largest ever increase in overall commodity prices since records began over 60 years ago.

Gold a laggard

The one commodity that has been a laggard in this upward move of commodity prices had been gold. However, it briefly reached a new all-time high last week before pulling back to just under $2,000 an ounce. With inflation running at levels not seen in 40 years, the CPI rising by 7.9% in the US in

Continued on page 4...

Gold—continued from page 3...

February and over 5% in Canada, the UK and the EU, and with geopolitical concerns due to the Russian massing of forces on the Ukraine border, gold's failure to move was frustrating investors. They wondered why an asset which had proven to be a good hedge against inflation and risk was not receiving the respect its longer-term track record commanded.

The actual invasion of Ukraine and the rapid imposition of effective sanctions had the effect of driving up the prices of all sorts of hard and soft commodities. Gold finally broke out from the $1,800-1,900 range it had been trading in for much of the last year. Last week gold rose to over $2,000 per oz. It was up $55 an oz. (2.7%) on Tuesday alone, to $2,033.

The last time gold began a long-term bull market, in 1999-2000, the metal rose from $250 an oz to $850 an oz., or over three times in less than a decade. Going further back, look at 1973-74. The Yom Kippur War saw the price of oil more than treble from less than $4 per barrel to $11. Gold, having been freed from the $35 an oz. price fixed since 1935, more than trebled to over $150 per oz. during the inflation that followed, before pulling back in 1975-76.

I'm not suggesting gold will match those performances. But it's reasonable to assume that having taken out its previous all-time high, gold could run to $2,500 per oz., a 25% move.

Gold stocks

This would be reinforced in gold mining stocks, which are operationally leveraged to the price of gold. Every additional dollar on the gold price drops straight through to the bottom line. Thus, the gold mining sector went up more than twice as much as the actual price of gold during the 2000-08 bull market.

One of the frustrations over the eighteen months since gold last touched $2,000 per oz. has been the disappointing performance of gold stocks. The iShares Global Gold Index ETF (TSX: XGD) has finally started to outperform gold, up 31% against 21.5% over the last year. But almost all of that performance has come in the last month, when it rose 23.5% compared to 12.2% for the gold bullion ETF (NYSE: GLD).

I've been recommending exposure to gold and materials stocks over the last few years, as the companies have paid down debt and become more efficient. In some cases (Barrick/Randgold, Agnico Eagle/Kirkland Lake, Newcrest/Pretium) they have implemented non-dilutive zero premium mergers which have created operational savings and improved geographical diversification.

The IWB has Buys on precious metals producers Barrick Gold, Agnico Eagle, royalty play Franco-Nevada, Pan American Silver, and junior miner First Mining. We have also recommended base metal plays First Quantum, Anglo Pacific, and Teck Resources as well as

Continued on page 5...

Gold—continued from page 4...

uranium producer Cameco, all of which have done well over the last couple of months.

This month I'd like to suggest another gold producer with mines in politically stable jurisdictions. Equinox Gold Corp. is growing its production rapidly and is connected to Ross Beatty, one of the most respected mining executives in the industry.

Gavin Graham has had a long and successful career in money management and is a specialist in international securities. He held senior positions in financial organizations in London, Hong Kong, and Toronto. He is a Trustee of the Royal Medical Foundation Investment Committee and Chief Strategy Officer SmartBe Investments (www.smartbeinvestments.com). He divides his time between Canada and the UK.

GAVIN GRAHAM PICKS EQUINOX GOLD (TSX, NYSE: EQX)

Background: Equinox describes itself as a growth focused gold producer operating entirely in the Americas. It has projects in Canada, the US, Mexico, and Brazil, with seven operating gold mines and five growth projects. Mining entrepreneur Ross Beatty owns 8% of the company, and insiders another 0.5% of the $3 billion market capitalization. Equinox went public in November 2018 at $4 per share.

The company has proven and probable reserves of 16 million oz. and measured and indicated reserves of 30 million oz. It expects to have production of 670,000 oz. in 2022.

Performance: Even with its 28% increase in the last month, Equinox is still down 4% from a year ago, and is only up 24% over the last five years.

Producing mines: US operations including two mines in California. One is the Mesquite mine, which produced 137,500 oz. in 2021 and expects to produce 120-130,000 oz. in 2022 at an all-in sustaining cost (AISC) of $1,450-1,500 per oz. (figures in US dollars). It also has the Castle Mountain mine, which produced 25,300 oz. in 2021 and expects to produce 25-35,000 oz in 2022 at an AISC of $1,475-1,525 per oz.

In Mexico, its Los Filos mine in Guerrero produced 144,100 oz. in a year marked by shutdowns due to labour unrest, now resolved. It expects to produce 160,000-180,000 oz in 2022 at an AISC of $1,625 -1,700 per oz.

Its Aurizona mine in Maranhao province in Brazil produced 135,000 oz. in 2021 and is expected to produce 125,000-130,000 oz. in 2022 at an AISC of $1,175

Continued on page 6...

EQX—continued from page 5...

-1,225 per oz. Its Fazenda mine in Bahia produced 60,400 oz. in 2021 and is expected to produce 60-65,000 oz. in 2022 at an AISC of $1,200-1,250 per oz. Finally, its RDM mine in Minas Gerais produced 58,800 oz. in 2021 and is expected to produce 70-80,000 oz. in 2022 at an AISC of $1,350-1,400 per oz.

Growth projects: Its growth projects include the Santa Luz mine in Mexico, where it is spending $103 million in retrofitting a previously producing mine which will come on stream this quarter and is expected to produce 70-90,000 oz. this year at an AISC of $975-1,050 per oz. It is estimated Santa Luz will produce 110,500 oz. annually for the first five years of operation.

Also, Equinox officially broke ground in October 2021 on the Greenstone project, one of the largest mines in Canada. It's adjacent to Geraldton, Ontario, near the Trans-Canada Highway. With 5.5 million oz. in reserves and significant exploration upside, the mine is co-owned with 60% to Equinox and 40% to Orion Mine Finance. It is anticipated to produce 400,000 oz. a year for the first five years and more than five million over the 14-year life of the mine. It is anticipated the two-year construction period and six months commissioning should permit the first gold pour in the first half of 2024.

Divestitures: The company is selling its Mercedes mine in Sonora, which produced 31,800 oz. attributable to Equinox in 2021. The buyer is Bear Creek Mining, which is paying $100 million, a 2% smelter royalty, and 24.73 million shares in Bear Creek. The deal is expected to close this quarter.

Financials: With a projected 13% increase in production from 593,000 oz. in 2021 to 670,000 oz. this year, Equinox is well positioned to enjoy strong growth in revenues and cash flow, quite apart from the rise in the gold price.

With $310 million in unrestricted cash and $200 million undrawn from its revolving debt facility, Equinox is well capitalized and estimates that it will produce $300 million in free cash flow at a $1,800 per oz. gold price. Equinox has also spun out two junior miners in Solaris Resources in 2020 and i-80 Gold in 2021, where its stakes in them are worth $300 million and $150 million at present prices.

Conclusion: Equinox is a well-capitalized gold miner with seven operating mines in politically stable jurisdictions. Projected growth in production over the next couple of years is to 1 million oz. per year.

The stock sells at 22 times 2022 forecast operating earnings. It is in the bottom third of junior producers in terms of price/net asset value (0.63 times). It expects the second highest production growth from 2021-24 and has second highest reserves amongst the group.

Action now: Buy at current price. The shares closed Friday at C$10.08, US$7.92.

GAVIN GRAHAM'S UPDATES

Recommendations are colour-coded:
Green indicates Buy
Yellow indicates Hold
Red indicates Sell

Fairfax Financial Holdings

BUY

TSX: FFH; OTC: FRFHF *Originally recommended Nov. 30/20 (#22042) at C$445.20, US$340.41. Closed Friday at C$592.61, US$465.00. (All currency numbers in US dollars except per share amounts).*

Background: Fairfax Financial is one of the largest property/casualty companies and reinsurers in North America, with 25% of its premiums generated from reinsurance and 30% from outside the US and Canada. Its founder and CEO, Prem Watsa, is a leading exponent of value investing and is sometimes referred to as "the Warren Buffett of Canada".

Almost all the company's businesses, which include Northbridge, Odyssey Re, and Crum and Forster, continue to be run by their original management. This includes its largest acquisition, Allied World, bought for $4.9 billion in 2017, with $1.5 billion in backing from OMERS and Alberta Investment Management Company.

Performance: The shares were trading in the $660 range in mid-February but have pulled back since. We have a 33% gain since the original recommendation.

Recent developments: Fairfax announced record earnings for 2021 of $3.4 billion ($122.25 per share), up 15 times from $218.4 million ($6.29 a share) in 2020. This reflected the recovery from COVID-19 losses in the previous year.

Book value per share, which both Mr. Watsa and Warren Buffett regard as a better measure of performance for insurance companies, which have large swings in their investment portfolios, rose 34.2% to $630.30.

Mr. Watsa noted: "2021 was the best year we have had in our history. At $23.8 billion, our gross premium grew 25.4% in 2021 or $4.8 billion – essentially all organic and the most in any one year in our history." He went on to note that all of Fairfax's major companies had a combined ratio (costs as a percentage of premiums) of 95% despite catastrophe losses of $1.1 billion.

Gains on Fairfax's investment portfolio, which includes several value plays such as Stelco, BlackBerry, Resolute Forest Products, restaurant operator Recipe, and GolfTown/Sporting life, produced net gains of $2.3 billion. Gains on the Indian digital insurer Digit adding $1.5 billion, offset by $287 million in losses on bond positions.

Continued on page 11...

SETBACK FOR GROWTH PORTFOLIO

By Gordon Pape

Nothing goes straight up forever. After a strong nine-year run, our model Growth Portfolio hit a brick wall in the latest six-month period. Two of our largest positions, Shopify and ARK Innovation ETF, were hammered badly. Even a decent performance from the rest of our holdings couldn't overcome the losses inflicted by those two.

I said at the time we added the ARK fund that it was high-risk/high-reward choice. Unfortunately, all we saw was the risk part. We're down 59% on this position and we aren't going to wait around to lose more.

As for Shopify, it is still a big winner since we added it. But it's off a gut-churning 62% since our last review as investors took profits and fled.

We created the IWB Growth Portfolio in August 2012 with an initial value of $10,000 and a target annual growth rate of 12%. As we have consistently pointed out, this is a high-risk portfolio, with 100% exposure to the equity markets. It's not a place for cautious investors.

Here are the securities that make up the current portfolio, with an update on how they have performed since our last review in August. Prices are as of the afternoon of March 10.

GROWTH PORTFOLIO

ARK Innovation ETF (NYSE: ARKK). This pandemic-era high-flyer is now the wrong fund at the wrong time. The stocks in the portfolio will eventually rebound but we can't wait around.

Alimentation Couche-Tard (TSX: ATD, OTC: ANCUF). Alimentation is one of the companies that has suspended operations in Russia because of sanctions imposed in response to the invasion of Ukraine. The stock price has held reasonably firm, however, losing only $1.67 (3.3%) in the latest period. The company raised its dividend by 25% effective with the December payment.

WSP Global Inc. (TSX: WSP, OTC: WSPOF). This stock has bucked the market trend and is up $3.67 (2.2%) since the last review. That's not a lot but it's proof of the company's strength even in difficult times. We received two dividends totaling $0.75 per share.

IWB GROWTH PORTFOLIO HOLDINGS

Shopify (TSX, NYSE: SHOP). There's no sugar-coating this. Shopify shares were slaughtered in the latest quarter, losing 62% of their value. We still have a good profit on the stock, and it will eventually recover, but we're not going to wait for that to happen. We'll take our gains and move on.

Amazon.com (NDQ: AMZN). Amazon shares lost ground in the latest period, but nothing on the scale of Shopify. The stock is off 10.7% in the latest six months. It could have been worse. The stock was buoyed by the March 9 announcement of a 20-1 share split, which will take affect in June assuming shareholder approval.

Apple Inc. (NDQ: AAPL). Most tech stocks sold off, but Apple shares gained $10.64 (7.2%) in the latest period. We received two dividends of US$0.22 each.

Costco (NDQ: COST). We added Costco to the portfolio a year and a half ago. The timing was excellent. The shares were up $82.04 (18.3%) in the latest six-month period plus we received two dividends totaling US$1.58 per share. Since adding Costco to the portfolio it has earned a total return of 58.6%.

United Parcel Service (NYSE: UPS). This is the world's largest package delivery company and is on the leading edge of new delivery technologies, especially in the healthcare sector. The shares continued to gain in the latest period, rising $14.34 (7.5%). UPS raised its dividend by 49% to $1.52 per quarter, effective with the February payment.

Cash. We received interest of $13.41on our cash holdings at Motive Financial.

Here is how the portfolio stood on the afternoon of March 10. Commissions are not considered. The US and Canadian dollars are treated as being at par but obviously gains (or losses) on the American securities are increased due to the exchange rate differential.

IWB Growth Portfolio (a/o March 10/22)

Symbol	Weight %	Total Shares	Average Price	Book Value	Current Price	Market Value	Dividends Retained	Gain/ Loss %
ARKK	6.0	75	$151.93	$11,394.75	$59.03	$4,427.25	$212.03	-59.3
ATD	9.3	140	$8.32	$1,164.10	$49.25	$6,895.00	$230.39	+512.1
WSP	20.4	90	$27.00	$2,430.29	$167.41	$15,066.90	$264.11	+530.8
SHOP-T	9.8	10	$78.71	$787.10	$721.11	$7,211.10	0	+816.2
AMZN	8.0	2	$2,042,76	$4,085.52	$2,960.85	$5,921.70	0	+44.9
AAPL	17.1	80	$30.43	$2,434.07	$158.18	$12,654.40	$372.84	+453.2
COST	14.4	20	$344.27	$6,885.40	$531.35	$10,627.00	$291.20	+58.6
UPS	14.1	50	$118.45	$5,922.50	$206.70	$10,335.00	$479.00	+82.6
Cash	0.9			$643.02		$656.43		
Total	100.0			$35,746.75		$73,794.78	$1,849.57	+111.6
Inception				$10,000.00				+656.4

Comments: The disappointing performance of Shopify and the ARK fund dragged the portfolio to a loss of 15.2% in the latest period. Good performances from Costco, UPS, and Apple kept it from being much worse.

The total gain over nine and a half years, based on the inception value of $10,000, stands at 656.4%. That's an average annual compound growth rate of 23.74%. Even with the big setback we experienced, we're still well ahead of our target.

Changes: The ARK fund holds high-quality disruptive securities that will almost certainly recover. Shopify should rebound as well, although it will be a long time before it sees $2,000 again. In our Buy-and-Hold Portfolio we might wait, but not here. We'll sell our remaining positions in both, for a total of $11,850.38, including retained earnings. We'll add two new positions.

iShares US Aerospace and Defense ETF (BSX: ITA). As the name suggests, this ETF invests in the US defense and aerospace industry. It's a timely addition on the light of the conflict in Ukraine and the decisions by several countries, including Germany, to significantly increase their military spending. Although the selection was prompted by the current situation in Europe, this fund has

Continued on page 11...

Growth portfolio—continued from page 10...

been a solid long-term money maker with an average annual return of 14.3% over the 10 years to Feb. 28.

The units are trading at US$107.42 at the time of writing. We will buy 50 units for a cost of $5,371.

iShares North American Natural Resources ETF (BSX: IGE). Natural resource stocks are cyclical. This is their time. This fund is up over 24% so far this year and there should be a lot more upside. But when the cycle is over, the price will fall so we need to watch it closely. The units are trading at US$40.05. We will purchase 60 units for a cost of $6,408.

The balance of $71.38 will be added to our cash position.

All the rest of our holdings remain the same.

Our total cash is now $2,365.35. We will move the money to EQ Bank, which is paying 1.25% interest.

Here is the revised portfolio. I will review

IWB Growth Portfolio (revised March 10/22)

Symbol	Weight %	Total Shares	Average Price	Book Value	Current Price	Market Value	Dividends Retained
ITA	7.2	50	$107.42	$5,371.00	$107.42	$5,371.00	0
ATD	9.2	140	$8.32	$1,164.10	$49.25	$6,895.00	$230.39
WSP	20.4	90	$27.00	$2,430.29	$167.41	$15,066.90	$264.11
IGE	8.6	60	$40.05	$6,408.00	$40.05	$6,408.00	0
AMZN	8.0	2	$2,042,76	$4,085.52	$2,960.85	$5,921.70	0
AAPL	17.1	80	$30.43	$2,434.07	$158.18	$12,654.40	$372.84
COST	14.4	20	$344.27	$6,885.40	$531.35	$10,627.00	$291.20
UPS	14.1	50	$118.45	$5,922.50	$206.70	$10,335.00	$479.00
Cash	1.0			$727.81		$727.81	
Total	100.0			$35,428.69		$74,006.81	$1,637.54
Inception				$10,000.00			

FFH—continued from page 7...

Dividend and buybacks: Fairfax repurchased two million shares during 2021 at an average price of $500, which Mr. Watsa considered “ridiculously cheap”.

Fairfax pays one annual $10 dividend in the first quarter, giving it a yield of 1.7%.

Action now: Fairfax sells at a 7% discount to its understated book value after the most profitable year in its history. With all of its major companies writing profitable insurance business, Fairfax remains a cheap play on rising interest rates, expanding geographical reach, and the rotation from growth to Mr. Watsa’s preferred value style. Buy at the current price.

GORDON PAPE'S UPDATES

Recommendations are colour-coded:
Green indicates Buy
Yellow indicates Hold
Red indicates Sell

NFI Group TSX: NFI, OTC: NFYEF

HOLD

Originally recommended on Jan. 18/21 (#22103) at C$31.38, US$24.87. Closed Friday at C$15.17, US$11.91.

Background: NFI is a leader in the production of low to zero emission mass transit vehicles. The Winnipeg-based company employs 8,000 people in nine countries. Its brands include New Flyer (heavy-duty transit buses), MCI (motor coaches), Alexander Dennis Limited (single and double-deck buses), Plaxton (motor coaches), ARBOC (low-floor cutaway and medium-duty buses), and NFI Parts. In total, NFI supports its installed base of over 105,000 buses and coaches around the world.

Performance: The stock continues to trend down.

Recent developments: The company released disappointing fourth quarter and year-end results last week. Quarterly revenue was down 2% year-over-year to $695 million (the company reports in US dollars). For the full year, revenue was $2.3 billion, a 3% drop from 2020.

NFI reported a fourth quarter loss of $9 million ($0.12 per share) and a full year loss of $14 million ($0.21 a share).

CEO Paul Soubry blamed the pandemic and global supply chain problems for putting pressure on the company's operations and financial performance. Supply chain issues are likely to persist in the near term, but Mr. Soubry said the situation should improve later in the year.

"We are extremely encouraged by the growing volume of active bids we saw during the second half of 2021 in both North American and international markets," he said. "In North America, active bids are up 70% year-over-year, and, in the third quarter of 2021, NFI submitted bids for 6,307 equivalent units, the highest number of submissions since the second quarter of 2017. This trend continued in the fourth quarter of 2021 with a 36% year-over-year improvement in bid submissions. We expect the number of opportunities available to us will continue to be high throughout 2022 as markets recover from the pandemic and new government funding is available to transit agencies, all of which are expected to grow backlog and revenue."

Continued on page 13...

NFI—continued from page 12...

Balance sheet: Investors were concerned about comments relating to the company's balance sheet. Management said that lower trailing adjusted EBITDA combined with the company's anticipated debt profile will affect its "ability to comply with certain financial covenants under its senior credit facilities". This includes the interest coverage ratio in the near term and the total leverage covenant beginning in the second half of 2022. Management is "in detailed discussions with its banking partners to obtain further covenant relief extending into the first half of 2023". In a statement, the company said that it believes that "with the anticipated covenant relief, the company's cash position and capacity under its existing credit facilities, combined with anticipated future cash flows and access to capital markets, will be sufficient to fund operations, meet financial obligations as they come due and provide the funds necessary for capital expenditures, dividend payments, and other operational needs".

The bottom line is that management is hoping that banks will bail them out from a financial squeeze. That's not a situation any company wants to contend with.

Dividend: NFI's dividend is a casualty of its financial difficulties. The board of directors has approved a decision to slash the quarterly payout by 75%, to $0.0513 per share ($0.2052 per year). The yield at the current price is 1.4%. The company said that the dividend could increase later in 2022 if supply chain problems are ironed out and the financial performance improves.

Outlook: The company issued guidance for 2022. Revenue is expected to be in the range of $2.5-$2.8 billion. Adjusted EBITDA will be between $100-$130 million, compared to $164 million in 2021. No earnings forecast was provided.

Action now: Hold. NFI's financial problems will likely be sorted out and the order backlog is 8,448 units with a value of $4.5 billion.

Members Corner

Why not a woman?

Member comment: The other day I was on the Building Wealth home page and realized all your experts — team members — are male. It would be nice for me, a woman and the one responsible for investments in my family, to see women on your team. But I also recognize that the world of investing is still predominately male. Being International Women's Day, I decided to let you know that at least one of your subscribers has noticed the lack of women on your expert team and cares. – Elsie N.

Response: There's nothing I'd like more than to add some women to our team. We had one in years past, but she moved on. Any suggestions from members would be welcome. We'd be especially interested in someone with a knowledge of fixed-income securities. – G.P.