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EMERGE FUNDS IN LIMBO

By Gordon Pape, Editor and Publisher

Imagine waking up one morning to find that some of the ETFs in your portfolio can no longer be traded.

That's the situation that faced owners of Emerge ETFs last week after the Ontario Securities Commission (OSC) issued a cease trade order (CTO) against the company.

If you haven't heard of Emerge, it claims to be Canada's first and only majority woman-owned investment funds firm. Its founder and CEO is Lisa Langley, who has 30 years of experience in the industry. Ms. Langley did not respond to an interview request for this story.

The company offers six high-tech ETFs and mutual funds (the ARK funds), overseen by New York manager Catherine Wood. The company also has five sustainable growth funds with female managers, operating under the EMPWR banner. Total assets under management is about $118 million.

We have two Emerge ETFs on our recommended list: the Emerge ARK Global Disruptive Innovation ETF (symbol EARK) and the Emerge ARK Space Exploration ETF (symbol EAXP).

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All the ARK funds suffered heavy losses in 2022, but all were ahead by double-digits this year up to the time of the CTO.

This is the first time the OSC has issued a cease-trading order against an entire fund family, so we're in uncharted territory here. In halting trading of the Emerge units, the OSC said the company had missed the deadline for providing audited financial statements and related documents for the 2022 fiscal year. Emerge announced on Dec. 19 that it had terminated its relationship with its previous auditor and has since been unable to find a new one.

The inability to find an auditor suggests serious problems with the company's finances. Ms. Langley said in a letter to clients that "there is no other material information concerning the affairs of the Emerge ETFs that has not been generally disclosed". She assured unit holders that the ETFs continue to exist and have value. The units are being held by the company's custodian, RBC Investor Services.

Investment Executive reported on Friday that the ARK funds are due more than $2.5 million from the managing company, based on the mid-year 2022 financial report. This represents amounts prepaid by the funds to Emerge for managerial services. Investment Executive quoted an ETF expert as saying this is an unusual way of doing business.

Although the Emerge assets are being held in trust, there is no way investors can get their hands on their money right now. "We are unable to provide any assurances on the timing of lifting of CTO or whether the CTO will be lifted at all," Ms. Langley said in her letter.

Emerge says it's trying to find a new auditor so it can produce the overdue financial reports. But the fact it's been unable to do so in almost four months is a major concern and suggests there is something in the company's finances that auditors don't want to touch.

ETFs are not covered by the Canada Investor Protection Fund, which protects investors in the event of the insolvency of a brokerage firm. Nor do they come under the Canada Deposit Insurance Corporation.

Unit holders have no option but to wait it out. The problem is it could be a long wait.

Unfortunately, there was no way to see this coming. ETFs and mutual funds are supposed to reduce risk through their diversified portfolios, but behind-the-scenes financial maneuvers may create internal stresses that are unrecognized until a crisis occurs.

Investors can take some encouragement from the fact the funds are being held by the custodian, RBC Investor Services, so it would appear the assets are intact.

Conceivably, another fund company could purchase them if Emerge can't get back on track. But all this is speculation right now. Investors will have to wait it out.

If you own any Emerge funds, our advice is to maintain contact with your broker and ask to be updated immediately if

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BANK RISKS EXPLAINED

By Shawn Allen, Contributing Editor

The United States banking sector was thrown into major turmoil last month when Silicon Valley Bank, the sixteenth largest bank in the country was seized by the Federal Deposit Insurance Corporation after it suffered a huge “run” on its deposits. The next day the FDIC also seized a smaller bank, Signature Bank.

Every person or corporation with bank deposits above the $250,000 FDIC insured limit was suddenly wondering if their deposits were safe, particularly if they were in a smaller bank. The US government quickly moved to announce that *all* depositors in these two banks would be protected, and people would have almost immediate access to all their money. This was done to avoid contagion and further bank runs by indicating that depositors of other banks might also be fully protected if necessary.

It soon became apparent that the shares of the two seized banks were going to zero with no hope for any recovery from the receivership process. That has led to sharply lower share prices for most banks and particularly for smaller banks.

How could these banks fail?

Actually, banks are inherently somewhat prone to failure by their nature, because they are so highly leveraged. That’s part of the reason that they are so heavily regulated.

Large banks are currently allowed to have a common equity ratio as low as 8% of their “risk-weighted” assets. This consists of a base level of just 4.5% plus “buffers” of 3.5%. And, because a significant portion of their loans and other assets are risk-weighted at far less than 100%, their true equity as a percent of actual (non-weighted) assets can be under 4%, which constitutes leverage of 25 times!

With average net interest margins (loan rates minus deposit rates) typically under 2% and with a bottom-line return on assets typically about 1%, banks need to leverage their common equity 10 to 20 times in order to achieve their desired double-digit returns on equity.

With 20 times leverage, a sudden 5% to 10% decline in asset values would wipe out the common equity capital of most banks!

The good news is that banks have highly sophisticated risk management practices in place such that a sudden decline of even 1% in asset values is usually unlikely.

The most obvious risk for banks is that a higher-than-expected percentage of loans will not be paid back. Banks and bank regulators manage this risk in numerous ways, which include verification of personal income or corporate earnings, credit checks, collateral requirements, geographic and industry diversification, and by requiring government insurance on most

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residential mortgage loans. Recessions often lead to higher but manageable loan losses. It was mostly slippage in the area of credit checks and income verification on US mortgage loans that led to the 2007-2008 financial crisis.

The second major risk category that banks face is the impact of increases in interest rates. If banks have loaned out money at low interest rates that are fixed for several years and the going rate on deposits rises sharply, the result can be very problematic. Ideally, this risk can be avoided by "matching" deposit rates and terms with lending rates and terms.

For example, five-year GIC deposits would be used to fund five-year mortgage terms and floating rate deposits would be used to fund floating rate lines of credits. But typically, borrowers may seek locked-in rates while depositors prefer not to be locked in, which creates a mismatch. And since longer-term rates are typically higher than shorter-term rates, banks are tempted to "borrow short and lend long" to capture a higher interest rate spread. For various reasons including regulations, historic practice, and a more competitive market, US banks tend to operate with a larger mismatch than Canadian banks.

In the 1980s such a mismatch led to the Savings and Loan crisis in the US. Silicon Valley Bank's demise came about because of a very large and unusual mismatch in its earning assets versus its deposits. It had inexplicably invested 41% of its assets in insured-mortgage-related securities that would not mature for at least 10 years and that paid an average interest rate of just 1.63%. Observers knew that most of its deposits were not locked in and as interest rates on deposits rose dramatically the bank was facing future losses. This bank also had a relatively small group of large corporate depositors which led to a stunningly rapid run on deposits when a bank analyst pointed out the mismatch.

Recommended action

The Canadian banks have traditionally been well regulated and have had excellent risk management practices. Nevertheless, given their inherent risks, it is prudent to not become too heavily exposed to any one bank or to the sector overall.

Contributing editor Shawn Allen provides stock picks and investment education on his website at www.investorsfriend.com. He is based in Edmonton.

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there are new developments. The Ontario Securities Commission also has a responsibility to keep the public informed in a timely manner.

Should you stop buying ETFs? No, this appears to be an isolated incident. But it adds another layer of risk, which should be kept in mind when making investment decisions.

SHAWN ALLEN'S UPDATES

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

Stantec Inc. TSX, NYSE: STN

HOLD

Originally recommended by Tom Slee on Aug. 28/06 (#2632) at C$10.24 US$9.23 (split-adjusted). Closed Friday at C$79.07, US$59.17.

Background: Stantec is a large Edmonton-headquartered consulting firm providing engineering, architecture, and related professional services. It now has 26,000 employees working in over 400 office locations on six continents. In 2022, 51% of its revenues were from the US, 26% from Canada, and 23% from other international operations, which are primarily in the UK, Australia, and New Zealand.

Performance: In 2022, the stock was down 9% to $64.88. In 2023 it's up almost 22%. This company has provided excellent gains over the long term.

Recent earnings: Adjusted earnings per share were up 29% in 2022, which was capped off with a 44% gain in the fourth quarter.

Recent developments: Stantec made a relatively large acquisition involving 2,750 employees at the end of 2021. It followed that up with two small acquisitions in 2022. It has been experiencing strong growth in all its major divisions and geographies.

Dividend: The dividend was increased by 8% for 2023 to $0.195 per quarter ($0.78 a year). The shares yield 1.0% at the current price. Stantec has a history of increasing its dividend on an annual basis.

Valuation: Based on my analysis price of $78.44, the trailing adjusted earnings p/e ratio is expensive at 25.1. The price to book value ratio is 3.8, and the dividend yield is a modest 1%. Stantec retains most of its earnings and currently has an adjusted earnings payout ratio of 25%. The return on equity, based on adjusted earnings, is strong at 16%.

Outlook: Stantec is targeting strong adjusted earnings growth in 2023 of 9-13%. The US Infrastructure and Jobs Act and the Inflation Reduction Act are providing a boost to its operations in the US. It also expects modest growth in Canada and strong growth in its UK water business.

Action now: Continue to Hold. Stantec has proven to be a high-quality investment for many years. But it is somewhat expensive at this time.

WSP Global TSX: WSP, OTC: WSPOF

HOLD

Originally recommended by Tom Slee on July 8/12 (#21224) at C$22.40, US$22.18. Closed Friday at C$175.39, US$129.26.

Background: WSP Global Inc. is a Montreal-headquartered company that provides engineering and related professional consulting services globally. Only 18% of revenues are from Canada. WSP is an aggressive, ambitious, and successful growth-by-acquisition company.

Performance: This stock has been an excellent performer. It rose an impressive 52% in 2021. In then slipped 14% in 2022 to $157.09. It's up 11.6% in 2023 to date. And it's up 683% since the original recommendation in 2012.

Recent developments: The company continues to grow rapidly through acquisitions. In 2022, its workforce increased by 20% to reach 66,200.

Recent earnings: Adjusted earnings per share were up 13% in 2022 while revenues per share were up 12%.

Dividend: The shares pay a quarterly dividend of $0.375 ($1.50 per year). The dividend yield is 0.9%. The dividend has remained unchanged since 2014 and there is no expectation that it will increase soon as the company prefers to retain earnings to fund growth.

Valuation: Analyzed at a price of $173. The price to book value ratio is not attractive in isolation at 3.6. The dividend yield is quite modest at 0.9%. The trailing year p/e ratio at 30 is unattractively high in isolation. The return on equity is strong at 13%. Average annual earnings per share growth in the past five years has been quite strong at 15%. Overall, these value ratios indicate a strong company which, however, is probably at least fully valued.

Outlook: For 2023 the company expects 15-20% growth in adjusted EBITDA which likely means adjusted earnings per share growth higher than that.

Action now: Continue to hold.

Alimentation Couche-Tard

BUY

TSX: ATD, OTC: ANCTF *Originally recommended by Tom Slee on March 4/13 (#21309) at C$8.81, US$8.565 (split adjusted). Closed Friday at C$67.95, US$51.11.*

Background: Quebec-based Couche-Tard has grown by acquisition into a global behemoth with 12,341 convenience stores/gas stations. Although it's a Canadian headquartered company, it now derives 72% of its revenues from the US, 17% from nine northern European countries plus Hong Kong, and just 11% from Canada. It employs 131,000 people across its network.

Performance: This stock has a superb long-term track record. In 2022 it was up 12% (to $59.50) in a year when most stocks lost ground. And it's up another 14.2% in 2023 to date.

Recent developments: On March 16, the company announced its latest huge acquisition. It will buy for cash the retail network of TotalEnergies, consisting of 2,193 sites in Germany, the Netherlands, Belgium, and Luxemburg. Couche-Tard has recently been buying back shares aggressively. The share count is down by 5% in the past year and 9% in the past two years. These buybacks reflect both the confidence of management and the cash-generating power of the company.

Dividend: The dividend is $0.14 per quarter ($0.56 annually) for a yield of 0.8%. Despite regular increases, this represents an earnings payout ratio of just 14% as the company prefers to retain most of its earnings to pay down debt and to make acquisitions and/or repurchase shares.

Valuation: At my analysis price of $67.95, the p/e, based on trailing adjusted earnings, is 17, which is attractive given the growth history. The dividend yield is modest at 0.8%. The return on equity is highly attractive at 24%, which justifies the relatively high price to book value ratio of 4.2. Overall, the valuation appears quite attractive.

Recent results: In recent quarters, revenues per share have surged with higher gasoline prices. Earnings per share growth has averaged 14% in the past four quarters. Earnings have been boosted by gasoline margins that have been unusually high for several years.

Risks: In the medium to long term, Couche-Tard faces a significant risk from the switch to electric vehicles. Suburban EV owners will charge their cars mainly at home and commercial charging stations will be located at grocery stores and

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Canadian Western Bank

BUY

TSX: CWB, OTC: CBWBF *Originally recommended on Sept. 15/14 (#21433) at C$40.54, US$36.31. Closed Friday at C$24.26, US$17.00.*

Background: This smaller bank, unlike the large Canadian banks, is virtually a pure deposit and lending operation. Some 88% of its revenues are from the net interest margin on lending and a further 4% is credit-related fees, for a total of 92% from lending. CWB primarily lends to business customers as opposed to individuals. The remaining revenue is from wealth management and trust operations.

Performance: The stock was down a very disappointing 34% in 2022 and is little changed in 2023 to date.

Recent results: Recent adjusted earnings per share were quite disappointing with a 16% decline in the latest quarter reported and a 4% decline in the fiscal year ended Oct. 31, 2022. Lower earnings were driven by higher administrative costs, as the company expands for expected future growth, and by a higher share count as it issued shares in order to maintain a more conservative balance sheet.

Dividend: The stock pays a quarterly dividend of $0.32 ($1.28 per year) to yield an attractive 5.3%.

Valuation: At my analysis price $24.16, the price to book value ratio is highly attractive at 0.7. The trailing adjusted p/e is also very attractive at 7.0. The dividend yield is attractive at 5.3%. The trailing year adjusted return on equity is good but not great at 10.1%.

Outlook: Modest growth is forecast in 2023 with an expected return on equity of 11%. The ROE is targeted to rise to 12% in 2024. In comparison to the larger banks, CWB has very little exposure to unsecured consumer credit or variable rate mortgages, and this may be beneficial in 2023.

Risks: Bad loans are always a potential risk for CWB, but it has a very strong track record in that regard. A weaker economy is also a risk, but its increasing geographic diversification is lowering that. CWB does not appear to be directly at risk from higher interest rates. Its loans and other earning assets are repricing relatively quickly with interest income up 61% in the latest quarter. That allowed for a 4% increase in net interest income despite the rapidly rising interest rates it must pay to attract and retain deposits.

Competitive position: CWB is Canada's 7th largest bank with assets that are only 2.1% as large as those of Royal Bank! It has carved out a profitable niche as a commercial lender offering a closer

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relationship with clients. But it is disadvantaged by its far smaller scale. It's also disadvantaged by a requirement to use a more conservative approach to calculate its risk-weighted assets. It has been working hard for years now to be allowed by regulators to move to the more advanced system, which would allow it to leverage its equity at a higher and more efficient level.

Action now: Buy. While recent results have been disappointing, the outlook is good, and the valuation is very attractive.

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places of work, along with "gas stations". The number of gas stations needed could decline quite dramatically in the next several decades. That would lower Couche-Tard's fuel revenues and make it more difficult to attract people to buy lottery tickets, cigarettes, and convenience items.

Outlook: Gasoline margins could drop significantly from their current elevated levels. On the other hand, the company has plans to continue to improve operations and is also buying back shares, which increases earnings per share. The pending large acquisition in Europe will boost earnings per share starting by the end of 2023.

Action now: Buy. Couche-Tard has been a long-term winner and the current valuation remains relatively attractive particularly given its latest acquisition announcement. But keep in mind the medium- and long-term risks from the switch to electric vehicles.

YOUR QUESTIONS Move to cash?

Q – My wife and I consider ourselves as financially comfortable in retirement. I have a small pension, and we each collect CPP and OAS. We rent and carry no debt. I haven't read anywhere where financial experts address issues and make recommendations regarding seniors with limited savings who hold mutual funds, and little cash. Is there a time when a retired couple in their mid-70s, each with a TFSA ($86k and $61k), all in mutual funds, should move the funds to cash in a TFSA high interest savings account to avoid fees and the uncertainty of the markets? – R.B., Windsor ON

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GORDON PAPE'S UPDATES

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

Archer-Daniels-Midland NYSE: ADM

BUY

Originally recommended on Sept. 10/18 (#21832) at $49.31. Closed Friday at $81.79 (All figures in US dollars.)

Background: ADM is one of the largest food-processing companies in the world. The variety of products it produces include flours and grains, beans and pulses, nuts, oils, proteins, starches, and sweetening solutions. The company also makes products used in medical supplements and health foods, including ingredients used for cognitive, heart, digestive, and immune problems. ADM is also a major player in animal nutrition, chemicals, packaging, personal care, and renewable plastics.

Performance: The stock reached a 52-week high of $98.88 in November but has been declining since.

Recent developments: The company reported strong fourth quarter and year-end results. For the final quarter of 2022, revenue came in at $26.2 billion, up from $23 billion the year before. Earnings attributable to common shareholders were $1 billion ($1.84 per diluted share), up from $782 million ($1.38 per share) in the prior year.

For the full year, revenue was $101.8 billion, up from $85.2 billion in 2022. Earnings were $4.3 billion ($7.71 per share) compared to $2.7 billion ($4.79 a share) in 2021.

Dividend: The company announced an increase of 12.5% in the quarterly dividend, to $0.45 a share ($1.80 a year). The stock yields 2.2% at the current price.

Outlook: The business is doing very well, and food is pretty much recession-proof. The stock is trading at what appears to be a bargain p/e ratio of 10.61.

Action now: Buy.

ABB Group NYSE: ABB

Originally recommended on Oct. 16/17 (#21737) at $25.35. Closed Friday at $35.14. (All figures in U.S. dollars.)

HOLD

Background: ABB Group is an engineering and technology pioneer with 2022 revenues of $29.4 billion. The company has a strong presence in electric vehicle charging stations, automated factories, and industrial robots.

Performance: After falling to a 52-week low of $24.27 in October, the shares have rallied strongly, due in part to its strength in artificial intelligence (AI). The stock is up 38.6% since it was recommended.

Recent developments: For a company that's on the leading edge of robotics and AI, the latest financial results weren't very impressive.

ABB reported fourth quarter 2022 revenue of $7.8 billion, up 3% from the prior year (+16% in comparable terms). Net income attributable to shareholders was $1.1 billion ($0.61 per basic share), well down from $2.6 billion ($1.34 per share) the year before.

For the full 2022 fiscal year, revenue was $29.4 billion, an increase of 2% from 2021 (12% comparable). Net income was $2.5 billion ($1.30 per share), down almost half from $4.5 billion ($2.27 a share) in 2021.

"The fourth quarter was adversely impacted by customers normalizing order patterns following a period of pre-ordering triggered by the long delivery lead times in a strained value chain. This weighed on order intake in Robotics & Discrete Automation," said CEO Björn Rosengren.

Divestitures: The company is streamlining its operations by getting rid of non-core assets. It has already started to spin off its E-mobility business and has signed an agreement to divest its Power Conversion operation.

Dividend and buybacks: The company pays one dividend a year. This year, investors received $0.919 per share, with the payment made in March. That was a slight increase over the year before.

ABB is also actively repurchasing shares. Over the past 12 months, the company has bought back 67.5 million shares for a cost of about $2 billion. That represents 3.29% of its issued shares at the time of the start of the program. The company plans to launch a new buyback program worth up to $1 billion in 2023-24.

Outlook: "Looking into 2023, we currently do not anticipate a major set-back in demand, although the high inflationary environment adds uncertainty," said Mr. Rosengren. "Comparable order growth, at least in the first half of the year, should be somewhat hampered by last year's very

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AT&T NYSE: T

HOLD

Originally recommended on May 13/12 (#21218) at $25.46 (split adjusted). Closed Friday at $19.93. (All figures in US dollars.)

Background: AT&T is America's largest phone company, serving more than 100 million families.

Performance: Following the sale of WarnerMedia, the company reverted to its roots as a telephone provider. The share price fell as low as $14.46 in October but has recovered some ground since.

Divestiture: The company finally disposed of its ill-fated WarnerMedia division by hiving it offer into a new business with Discovery. The new corporate name is Warner Bros. Discovery Inc. (NYSE: WBD). AT&T investors received 0.241917 share of WBD for every AT&T share they owned. WBD closed on Friday at $13.78. We don't track the stock.

Recent developments: The slimmed-down AT&T reported fourth quarter and year-end results in late January. Subscriber growth was strong, with 656,000 postpaid phone net additions in the fourth quarter and nearly 2.9 million in all of 2022. Fourth quarter revenue from continuing operations was $31.3 billion. For all of 2022 it was $120.7 billion. Adjusted earnings per share in the final quarter was $0.61 compared with $0.56 the year before. For the full year, adjusted EPS was $2.57. Free cash flow in 2022 was $14.1 billion.

Dividend: The company cut its dividend after the WarnerMedia deal. It now pays $0.2775 per share quarterly ($1.11 annually) to yield 5.6%.

Outlook: The company is projecting wireless service revenue growth of 4% or higher this year. Broadband revenue is expected to increase 5% or more. Adjusted earnings per share are projected to be between $2.35 and $2.45, which would be down from 2022's $2.57.

Action now: Hold. There's very little growth potential in the stock but the healthy yield makes this a keeper if you're an income-oriented investor.

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high order level coupled with a normalization of customers' order pattern after a period of pre-ordering in times of a strained value chain.

"I expect comparable revenue growth to be above 5%, supported by backlog execution. Cash flow should benefit from us working down the net working capital, and we should also have less adverse items impacting comparability. I view 2023 as a good opportunity for ABB to prove that we can continuously deliver an annual operational EBITA margin of at least 15%."

Action now: Hold.

GORDON PAPE'S ETF UPDATES

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

iShares Canadian Core Bond Index ETF (TSX: XBB) *Originally recommended on March 5/07 (#2709) at $29.44. Closed Friday at $27.76.*

HOLD

Background: This ETF is designed to replicate the returns of the total Canadian bond universe, including government and corporate issues.

Performance: After getting off to a fast start in January, the fund has stalled as bond traders worry about the near-term future of interest rates. So far this year, the ETF shows a gain of 2.99% but that's down from its January high.

Key metrics: The fund was launched in November 2000 and has $4.9 billion in assets under management. The effective duration (a measure of interest rate risk) is 7.39 years. The MER is very low at 0.1%.

Distributions: Payments are made monthly, currently at a rate of $0.069 per unit ($0.828 a year). At this level, the forward yield is almost 3%.

Portfolio: There are 1,507 positions in the portfolio. About 42.5% of the assets are in bonds maturing in five years or less (the lowest risk). More than 24% is in bonds with a maturity of 15 years or more (highest risk but generating the best return right now).

Outlook: After a promising start, the bond market has stalled, and it may drift for some time.

Action now: Hold.

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A – If you think you will need access to the cash in the coming year, such a move would make sense. It might even be a good idea if you don't expect to need the money. I suggest you look at what the mutual funds are returning and compare that with what you could earn from a high-interest savings account or a GIC.

You can check the rates at ratehub.ca. For example, CIBC is currently offering 5% to new depositors for 120 days in a high-interest account, with a minimum balance of $25,000. Several small

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iShares Convertible Bond Index ETF TSX: CVD

Originally recommended on Sept. 28/14 (#21435) at $19.55. Closed Friday at $17.02.

HOLD

Background: The goal is to replicate the performance of the FTSE TMX Canada Convertible Bond Index, net of expenses. Convertible bonds can be exchanged for common stock under the terms of each specific offering.

Performance: After slumping to the $16 range in late October, this ETF staged a modest recovery. It has gained 2.18% so far this year.

Key metrics: This is a relatively small fund, with $103 million in assets under management. It was launched in June 2011 and has 37 holdings. The MER is on the high side for a bond fund, at 0.49%.

Portfolio: This fund has relatively few positions and tends to make big bets. Some of the positions are unusually large, such as a 9.82% weighting in the convertible bonds of Innergex Renewable Energy and a 9.7% holding in the bonds of Northwest Healthcare Properties REIT. These large positions put the fund in the higher risk category.

Distributions: These are paid monthly. The current payout is $0.071 per unit, which if continued over a full year would work out to $0.852 annualized. That would work out to a yield of 5% at the current price.

Outlook: The key to the success of this fund is the performance of the stocks that underlie the convertible bonds it holds. If they do well, so will the fund. But the managers are making some big bets and investors need to understand that. This is not a typical bond fund.

Action now: Hold. The high yield makes this worth retaining if you currently own it and are willing to accept the higher risk.

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financial institutions are offering one-year GICs in the 5% range. These rates and promotions change constantly so make sure any deal that appeals to you is still available.

Comparing your mutual fund returns with guaranteed interest rate options will enable you to better understand the risk/return potential of your decision. – G.P.