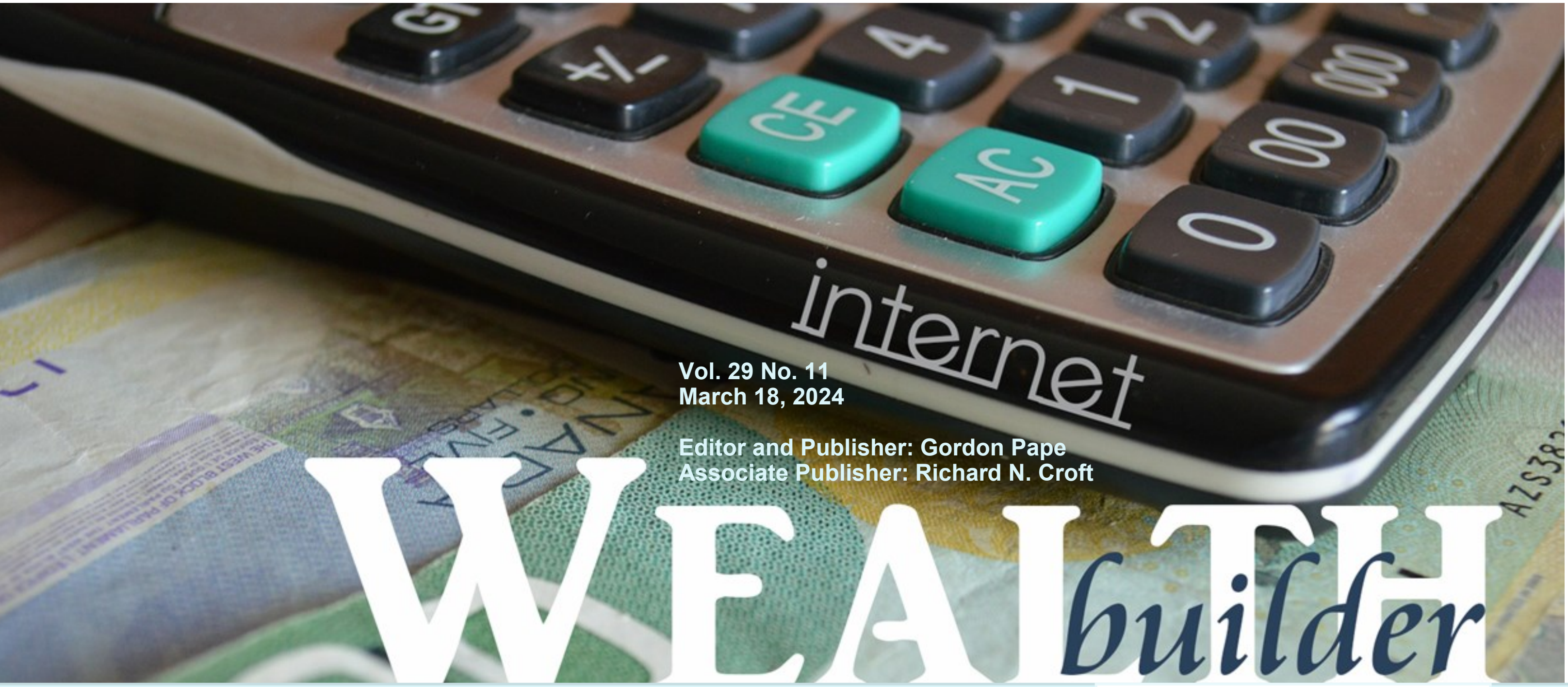

Vol. 29 No. 11
March 18, 2024

Editor and Publisher: Gordon Pape
Associate Publisher: Richard N. Croft

GROWTH PORTFOLIO AVERAGES 24%

By Gordon Pape, Editor and Publisher

The secret to rapid growth is identifying quality stocks that have momentum working for them and riding the wave until it hits the beach.

We've managed to do that with our Growth Portfolio, and we're reaping the rewards. The portfolio was ahead over 30 per cent in the latest six months, a record period for us.

The long-term result was to push our average annual compound rate of return since inception to 24%, well ahead of our original goal.

The portfolio was launched 11-1/2 years ago, in August 2012. It had an initial value of $10,000 and a target annual growth rate of 12%. It's 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 late August. Prices are as of the close on March 13.

Continued on page 2...

IN THIS ISSUE

Next issue: March 18

IWB GROWTH PORTFOLIO SECURITIES

iShares US Aerospace and Defense ETF (BSX: ITA). This ETF invests in the US defense and aerospace industry. We added it to the portfolio in 2021. We posted a gain of $10.24 per unit in the latest period and we received two distributions for a total of $0.658 per unit.

Alimentation Couche-Tard (TSX: ATD, OTC: ANCUF). Alimentation operates convenience stores in Canada, the US, and Europe. This stock has been a huge winner for us and continues to generate handsome profits. It's up $12.22 since our last review. The company raised its quarterly dividend by 25% to $0.175 a share.

WSP Global Inc. (TSX: WSP, OTC: WSPOF). Montreal based WSP is an international engineering and design firm. This stock is another big winner. It gained $34.72 in the latest six-month period, plus we received two dividends totaling $0.75 per share.

TFI International Inc. (TSX, NYSE: TFII). This Montreal-based trucking firm was added to the portfolio in February 2023 and is performing well. The shares were up $19.84 in the latest period. The company increased its quarterly dividend by about 12% in December to $0.5275.

Nvidia (NDQ: NVDA). Nvidia makes computing chips for AI processors, and its sales keep beating even the most optimistic expectations. We added the stock, which was recommended by contributing editor Adam Mayers, to the portfolio in February 2023 and it has almost tripled since. Over the latest period, the shares gained $416.24. That's not a misprint!

Apple Inc. (NDQ: AAPL). Apple shares have lost momentum and were down $16.52 in the latest period. We received two dividends of $0.24 each.

Continued on page 3...

IWB GROWTH PORTFOLIO

Growth portfolio—continued from page 2...

Costco (NDQ: COST). Costco shares were up $191.94 in the latest period. As a bonus, the company declared a special year-end dividend of $15 a share, on top its normal quarterly payout of $1.02.

CGI Group (TSX: GIB.A, NYSE: GIB). This is a Montreal-based international consultancy company that has been on our recommended list since August 2012. We added it to the Growth Portfolio last fall at $140.51. It's now at $159.66. This is the only stock in the portfolio that does not pay a dividend.

Cash. We had cash and retained earnings of $2,734.15. We moved the money to Duca Credit Union, which was offering a high rate of 5.25%. We received $71.77 in interest.

Here is how the portfolio stood at the close on March 13. 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 13/24)

Symbol	Weight %	Total Shares	Avg. Price	Book Value	Current Price	Market Value	Retained Distributions	Gain/ Loss %
ITA	5.5	50	$107.42	$5,371.00	$126.96	$6,348.00	$111.75	+20.3
ATD	10.0	140	$8.32	$1,164.10	$83.48	$11,687.20	$379.49	+936.6
WSP	17.5	90	$27.00	$2,430.29	$225.30	$20,277.00	$534.11	+756.3
TFII	5.2	30	$168.06	$5,041.80	$202.85	$6,085.50	$58.17	+21.9
NVDA	31.3	40	$236.64	$9,465.60	$908.88	$36,355.20	$6.40	+284.1
AAPL	7.4	50	$30.43	$1,521.50	$171.13	$8,556.50	$494.44	+494.9
COST	12.6	20	$344.27	$6,885.40	$734.20	$14,684.00	$744.80	+124.1
GIB.A	9.6	70	$140.51	$9,835.70	$159.66	$11,176.20	$0	+13.6
Cash	0.9			$727.81		$1,019.24		
Total	100.0			$35,428.69		$116,188.84	$2,329.16	+234.5
Inception				$10,000.00				+1,085 .

Comments: This was a stunning six months. The portfolio gained 30.6% in that period, led by a huge contribution from Nvidia, which was up over $400 per share, riding the AI wave.

But Nvidia wasn't the only contributor. All the securities but one were up during the period, with Costco adding over $200, including the $15 special dividend. We also saw large contributions from Alimentation Couche-Tard, WSP Global, TFI International, and CGI. The only disappointment was Apple, which is facing headwinds on several fronts.

The total value of the portfolio (market price plus retained distributions) now stands at $118,518. Over the 11.5 years since this portfolio was launched, we have a cumulative return of 1,085%. That's an average annual compound growth rate of 24%.

Changes: Apple has been good to us, but the company is facing a lot of problems, not least of which is the loss of market share in China. This is a dynamic portfolio; we don't wait around until companies can sort out their difficulties. There are too many other good opportunities.

As a result, we'll sell our position in Apple for a total of $9,050.94, including retained earnings.

We'll replace it with Novo Nordisk (NYSE: NVO), the Danish pharmaceutical company that manufactures Ozempic, the diabetes/weight loss drug that is in huge demand world-wide. The stock was recommended by contributing editor Adam Mayers on Oct. 16, 2023, at US$102.14. It closed on March 13 at US$133.49, up 30.7% from the original recommendation. We'll buy 70 shares for $9,344.30. We'll take $293.36 from cash to make up the difference.

All else stays the same. There is a temptation to sell off some of Nvidia, which now has a portfolio weighting of more than 31%. But the stock is hot right now and in a portfolio of this type, the best strategy is to ride your winners until they run of steam. Our total cash plus retained earnings is now $2,560.60. We will stay with Duca Credit Union, which continues to offer a high interest rate of 5.25%, with no minimum requirement.

Here's a look at the revised portfolio. I will review it again in August.

IWB Growth Portfolio (revised March 13/24)

Symbol	Weight %	Total Shares	Average Price	Book Value	Current Price	Market Value	Retained Distributions
ITA	5.4	50	$107.42	$5,371.00	$126.96	$6,348.00	$111.75
ATD	10.0	140	$8.32	$1,164.10	$83.48	$11,687.20	$379.49
WSP	17.4	90	$27.00	$2,430.29	$225.30	$20,277.00	$534.11
TFII	5.2	30	$168.06	$5,041.80	$202.85	$6,085.50	$58.17
NVDA	31.2	40	$236.64	$9,465.60	$908.88	$36,355.20	$6.40
NVO	8.0	70	$133.49	$9,344.30	$133.49	$9,344.30	$0
COST	12.6	20	$344.27	$6,885.40	$734.20	$14,684.00	$744.80
GIB.A	9.6	70	$140.51	$9,835.70	$159.66	$11,176.20	$0
Cash	0.6			$725.88		$725.88	
Total	100.0			$50,264.07		$116,683.28	$1,834.72
Inception				$10,000.00			

THE WEEK

Indexes

S&P/TSX Composite

21,849.15 (+0.51%)

S&P 500

5,150.48 (+0.53%)

Dow Jones Industrials

39,905.66 (+0.47%)

Nasdaq

15,973.17 (-0.07%)

Tech falters but the rest of the market picks up the slack.

Noteworthy

Costco (NDQ: COST). The company reported a miss on revenue but EPS of US$3.92 exceeded the consensus of US$3.62. Total comparable sales increased 5.6% year-over-year, topping the consensus of 4.8%. The shares closed Friday at US$725.63, essentially flat for the week.

Definity (TSX: DFY). Swiss Re announced that it acquired 197,217 common shares of the Canadian insurance company. It now owns 10.05% of DFY's outstanding common shares. The stock finished the week at $45.95, down a nickel for the week.

Empire (TSX: EMP.A). Quarterly results were weak, with revenues and adjusted EBITDA below the consensus estimate. Empire purchased the final 12% of Farm Boy. The stock fell $1.85 on the week, to $32.70.

TRADING WITH A TWIST

By Richard N. Croft, Associate Publisher

Investors have become smarter in much the same way as parents do when their children age. It's not that parental pronouncements or investor decisions are sharper, but the environment in which they are made makes them appear more intelligent.

I raise this because investors have enjoyed a raging bull market that seems to defy gravity. Stock selection – good or bad – is rewarded by the age-old axiom that a rising tide lifts all boats. I think we are experiencing a 1990s version of economic growth propped up by promised productivity improvements supported by artificial intelligence. It's much the same as the internet boom that propelled an eight-year rally that culminated in the bursting of the tech bubble in 2000. The challenge is recognizing irrational exuberance before it is too late. Easier said than done!

A better approach is to ramp back one's enthusiasm when unbridled optimism is the name of the game. I'm not suggesting that we will experience a tech fallout in the short to medium term. However, the surge in algorithmic strategies and day-trading phenomena means that markets and trends transition faster than at any time in history. As fantasy meets reality, the risk-on trade propelled by FOMO (Fear of Missing Out) will likely wane over the next three to four years.

To that point, return with me to April 1999 when we were nearing the end of the internet bubble. At the time, I invested in two high flying Internet stocks – AOL Inc. and Yahoo – that seemed poised to become long-term success stories. With 20-20 hindsight we all know how that story ended.

Still, the strategy I employed provided enough profit to fund the education of my three children. It was helped by the bullish tenor of the market, but it did not require the stock to rise to earn the maximum return on the trade. I see similar opportunities in the current environment.

With that in mind, I want to re-visit the so-called double up/double down strategy. This manages high risk stock selections to generate significant upside with an exit point at or below the current market price, and to provide a reasonable average price point should the stock yield to the laws of mean reversion.

Background

In April 1999, I penned a column in The Globe and Mail that explained the strategy, using Yahoo! Inc. I was faced with the portfolio manager's version of catch-22. I liked the potential of the

Continued on page 7...

Trading—continued from page 6...

search business but had trouble justifying an investment based on the fundamentals.

At the time, Yahoo! Inc. was trading at $187 per share (all prices in US dollars). In the previous year, the stock had traded as high as $222 and as low as $126.

Here's how I explained my logic in that Globe column:

"Yahoo! Inc.'s efforts to expand content was the driving force behind their recent merger with Boroadcast.Com. Providing surfers with streaming video is seen as the next major evolution on the internet. How soon we watch the internet as we now watch television will depend on how fast broadband becomes a cost-effective alternative to traditional 33.3 dial up access.

"In that regard, a study by Computer Economics showed that the total number of digital subscriber lines (DSL) installed in the US will grow dramatically in the next five years, eventually exceeding 10 million lines, with the greatest growth occurring between 2002 to 2003.

"Another study from The Strategis Group suggested that the cable modem market share – the current choice among residential households for high-speed Internet access – will fall to 68% of the residential market by 2003. Competition inevitably lowers prices, ultimately increasing demand for high-speed access and the need for evolutions in streaming video. Perhaps not tomorrow or next year, but certainly within the next five years.

"Cheaper access and the exponential growth of consumers logging on is the model that will drive future profits for the best internet companies. The basic business model for Yahoo! Inc. is a classic case study as to how a company exploits those demographics. Each step in Yahoo! Inc.'s evolution requires the company to provide more services to consumers, which increases the amount of time consumers spend with these companies, which, in turn, increases their attractiveness to advertisers."

How times changed! Google became the internet's preeminent search engine and Meta exploited social media that destroyed Yahoo! Inc.'s content initiative. Despite the unknowns that were unpredictable, I was able to generate double-digit returns before the turn of the century.

The strategy

In 1999, I looked at a strategy where my return was not based on Yahoo! Inc. being able to fulfill its aggressive potential. In the article I suggested that investors who felt comfortable owning 200 shares of the stock consider buying 100 shares of Yahoo! Inc. and immediately sell one long-term call and one long-term put against the shares.

The explanation went as follows:

Continued on page 8...

Trading—continued from page 7...

"The approach I favor is one that sells expensive options. As a point of reference, consider that the average implied volatility for an equity option (April 1999) is 35%. Compare that to the internet highfliers. Options on Yahoo! Inc., for example, have an implied volatility of 80%.

"There are a couple of reasons for this type of strategy; 1) the strategy allows you to enter the internet game one step at a time with an acceptable price target given a worst-case scenario, and 2) should the stock remain where it is or rise, you can in some cases, more than triple your initial investment over the next 21 months. For the record, the double up/ double down strategy is really a covered combination.

"The idea is to buy 100 shares of Yahoo! Inc. at $187 (price at the time of writing), and immediately sell one Yahoo! Inc. January (2001) 150 call at $93½ and one Yahoo! Inc. January (2001) 150 put at $46½.

"Here's what the strategy entails. The out-of-pocket cost for the initial 100 shares of Yahoo! Inc. is $47 per share. That's $187 for the stock less $140 per share received from the sale of the two options ($93½ for the call, $46½ for the put). The call and the put expire in January 2001, twenty-one months from the date the position was established.

"The Yahoo! Inc. January 150 call obligates you to sell your 100 initial shares of Yahoo! Inc. at $150 per share anytime between now and the third Friday in January 2001. If the stock is above $150 per share in January 2001, the call will be exercised. At that point you simply deliver the shares to the call buyer and receive $150 per share.

"Under this scenario the January 150 put will expire worthless. Since the out-of-pocket cost on the original 100 shares was $47, and since you receive $150 per share 21 months from now, that's more than three times your original investment, or more precisely, a 197% return on your initial investment. That's the best-case scenario.

"The January (2001) 150 put obligates you to buy an additional 100 shares of YHOO at $150 per share until the January 2001 expiry. If the stock is below $150 per share in January 2001, you will be forced to buy another 100 shares at the $150 per share strike price of the put.

"Under this scenario, the calls will expire worthless. The initial 100 shares of Yahoo! Inc. cost $47 per share (out-of-pocket cost) and the second 100 shares – assuming you are forced to buy them – will cost $150 per share. The average cost of the 200 shares in January 2001 would be $98½ ($47 + $150 = $197 divided by 2 = 98.50).

"Under the worst-case scenario, you end up with 200 shares of Yahoo! Inc. at an average cost of $98½ per share which is just a little over half the current price of the stock and represents the double down element of the strategy."

Continued on page 9...

Trading—continued from page 8...

Back to the present

Returning to the present day, here are two examples using risk-on stocks that provide exposure to the most aggressive sectors in the current environment. The first is Advanced Micro Devices (NDQ: AMD).

AMD is a global semiconductor company that focuses on high-performance computing, graphics, and visualization technologies. It is one of the main competitors to the Nvidia chipset that is used to develop artificial intelligence. While AMD has other business lines, the optimism propelling the current price surge is its role as the distant cousin to Nvidia.

The stock is currently trading at $195 per share. For investors who can afford to buy 200 shares of AMD, consider buying the initial block at today's price and against that position sell one December 200 call at $35.20 and one December 180 put at $22.60. (options expire on December 19, 2024) The results from the trade are shown in the following table:

	Description	Per Share Values	
	Current Price	$	195.00
Less	AMD Dec 200 call	$	35.20
Less	AMD Dec 180 put	$	22.60
	Out of pocket cost	$	137.20

Note that the strategy does not incorporate long-term options (i.e., options that have more than a year to go before expiry) because of the previously discussed speed at which markets transition in the current environment. With AMD, the stock does not have to continue its torrid pace, it need only rise $5 per share for you to earn the maximum return on the strategy. If the stock declines, then the average entry price is a more reasonable $158.75 per share which is 18.59% below the current price.

The second stock is Micro Strategy Inc. (NDQ: MSTR), which is an aggressive Bitcoin play. To buy into this position, you must accept the speculative nature of Bitcoin with its attendant volatility. MSTR provides artificial intelligence-powered enterprise analytics software and services in the United States, Europe, the Middle East, Africa, and internationally. It is currently trading at $1,750 per share and typically moves more than $100 up or down on any given day.

Continued on page 9...

Stock rises above $200	Per Share Values	
Sell Stock	$	200.00
Out of pocket cost	$	137.20
Profit (Loss)	$	62.80
Return over nine months		45.77%
Annualized Return		61.03%

Stock declines	Per Share Values	
Initial Out of Pocket Cost	$	137.50
Price of second 100 shares	$	180.00
Average price of 200 shares	$	158.75
Downside breakeven		-18.59%

Trading—continued from page 9...

If you can accept the volatility, you would buy 100 shares of MSTR at $1,750 per share and sell one November (option expires on November 15, 2024) 1000 call at $950 per share and one November 1000 put trading at $250 per share. The potential and risks are set out in the following table:

With MSTR, we are taking advantage of the extreme volatility associated with Bitcoin. In this example, the downside breakeven is 55.71% below the current price. And if you buy the second tranche of stock (worst-case scenario) at $1,000 per share, your average cost would be $775, or $975 below the current price. If the stock remains above $1,000 per share through November 2024, you sell your initial shares at the $1,000 strike price of the call, generating an eight month return of 81.82% which is 122.73% annualized.

	Description	Per Share Values	
	Current Price	$	1,750.00
Less	MSTR Nov 1000 call	$	950.00
Less	MSTR Nov 1000 put	$	250.00
	Out of pocket cost	$	550.00

Stock remains above $1000	Per Share Values	
Sell Stock	$	1,000.00
Out of pocket cost	$	550.00
Profit (Loss)	$	450.00
Return over eight months		81.82%
Annualized Return		122.73%

Stock declines	Per Share Values	
Initial Out of Pocket Cost	$	550.00
Price of second 100 shares	$	1,000.00
Average price of 200 shares	$	775.00
Downside breakeven		-55.71%

MEMBERS’ CORNER

VersaBank

Member comment: Did Ryan Irvine miss something in his analysis of his featured recommendation on VersaBank in the IWB last week?

Down over 11% in a week is more than just a slight move, especially when the banks and the market in general were up in that same period! Not something I would expect even from a speculative recommendation!

Is there something seriously wrong with this recommendation? – James B.

Continued on page 12...

GORDON PAPE'S UPDATES

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

The Descartes Systems Group

SELL HALF

TSX: DSG, NDQ: DSGX *Originally recommended on Oct. 30/17 (#21739) at C$37.83, US$29.45. Closed Friday at C$125.08, US$92.30.*

Background: Descartes provides on-demand, software-as-a-service solutions focused on improving the productivity, performance, and security of logistics-intensive businesses. Customers use its services to route, schedule, track, and measure delivery resources; plan, allocate, and execute shipments; rate, audit, and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes. The company's headquarters are in Waterloo, Ontario and Descartes has offices and partners around the world.

Performance: We recommended taking half profits a year ago when the shares were trading at $103.27, giving us a gain of 173% to that point. This means we have a guaranteed profit no matter what the stock does from here.

The stock subsequently dropped below $97 before rebounding and reaching an all-time high of $127.56 last week. It's currently trading just below that level.

Recent developments: There's a silver lining to almost any story and Descartes is finding it. The disruptions to global trades caused by attacks on commercial ships in the Red Sea and the on-going sanctions against Russia, Iran, and others have led to increased demand for the company's logistical services.

As a result, Descartes reported revenue of $148.2 million for the last quarter of fiscal 2024 (to Jan. 31), That was up 18% from $125.1 million in the fourth quarter of fiscal 2023. Net income was $31.8 million ($0.37 per diluted share), up from $29.8 million ($0.34 a share) from the year before.

For the full year, revenue was $572.9 million. That was up 18% from $486 million in the prior fiscal year. Net income was $115.9 million ($1.34 per diluted share), up 13% from $102.2 million ($1.18 per share) in fiscal 2023. Adjusted EBITDA was $247.5 million, up 15% from $215.2 million in 2023.

Continued on page 12...

DSG—continued from page 11...

Descartes had $321 million in cash at the end of the fiscal year, up $44.6 million from the year before.

"Global trade continues to be impacted by military conflicts, disruptions to major shipping routes, and a growing list of sanctions from various governments around the world," said CEO Edward J. Ryan. "Our Global Logistics Network is designed to help shippers, carriers, and logistics services providers adapt their supply chains to efficiently manage the lifecycle of shipments in this increasingly dynamic landscape. As a result, our customers are trusting us with more of their business, which puts us in a strong financial position to continue to invest in our business."

Dividend: The stock does not pay a dividend.

Outlook: Business is booming, and the stock continues to make new highs.

Action now: If you own shares and have not taken half profits, do so now. If you don't have a position, buy.

VersaBank—continued from page 10...

Ryan Irvine responds: VersaBank actually reported strong numbers with revenues up 11% and EPS up 41% to $0.48 in the quarter from $0.34.

VBNK trades at 9.16 times trailing earnings (last 12 months). That's attractive considering EPS is expected to grow 20%+ to the $1.90-$2.00 range in the current year.

The stock is up 25% in the last six months and 40% in the past year. There may be some profit-taking after interest margins have compressed, but profitability in terms of earnings and ROE are increasing and the company has the potential to enter the US market in 2024 (solid growth driver). We are investing now with a holding period of 2-3 years minimum and expect the stock to have above-average volatility but to grow smartly over the holding period.

More details: The point-of-sale receivable purchase program portfolio expanded 28% year-over-year and 7% sequentially and drove total assets to another record high of $4.3 billion.

VBNK began its planned strategic transition from higher-yielding, higher risk-weighted loans to lower-yielding, lower risk-weighted (CMHC) loans in its non-core CRE (corporate real estate) portfolio as it pursues new CRE opportunities. While this had a slight dampening effect on first quarter results, management expects that this strategic adjustment will enhance ROE and contribute to stronger growth in subsequent quarters throughout the year.

Continued on page 15…

REVIEWING OUR DIVIDEND ETFS

By Adam Mayers, Contributing Editor

Stocks inched higher last week as the Bank of Canada kept its benchmark interest rate unchanged at 5%. For dividend investors in particular, the do-nothing decision was good news. It indicates that the next move for interest rates will be lower if inflation continues to ease.

Here are updates on three IWB-recommended dividend ETFs, one Canadian, one American, and one global.

iShares S&P/TSX Canadian Dividend Aristocrats Index ETF

BUY

TSX: CDZ *Originally recommended by Gordon Pape on April 9/12 (#21214) at $22.29. Closed Friday at $31.54.*

Background: This passively managed ETF replicates the S&P/TSX Canadian Dividend Aristocrats Index, which is composed of large companies that have increased their dividends in each of the least five years at a minimum.

Performance: The fund has a total return of 3.1% year-to-date and a three-year average annual total return of 6.7%.

Key metrics: This ETF is medium risk, yields 4.3% and pays dividends monthly. The annual payout is $1.23. The fund has $893 million in assets and an MER of 0.66%.

Portfolio: All 91 holdings are Canadian with financials (30%), energy (11%), and industrials (10%) the dominant sectors. The top three holdings are Fiera Capital, Enbridge, and Allied Properties.

Discussion: The fund has a high yield which is important for those seeking income and the distributions are monthly which helps with cash flow. The ETF also gets a full benefit from the 15% federal dividend tax credit.

Action now: Buy for income.

iShares Core Dividend Growth ETF NYSE: DGRO

BUY

Originally recommended on Dec. 8/19 (#21942) at $41.26. Closed Friday at $56.76. All figures in US dollars.

Background: All the holdings **of** this passively managed ETF are invested in US stocks with histories of consistent dividend increases.

Performance: The ETF is a perennial top performer. It has a total return of 6.2% year-to-date and a three-year total average annual return of 8.9%.

Key metrics: The ETF has $26.4 billion in assets and a low management expense ratio of 0.08%.

Portfolio: The fund has 420 holdings. Its main sectors are financials (19%), technology (18%) and healthcare (17%.) The top holdings are Broadcom, JP Morgan Chase, and Microsoft, which together make up almost 10% of the fund.

Distributions: The ETF yields 2.3% and an annual payout of $1.31. Distributions are paid quarterly.

Discussion: The ETF has performed well because it holds large, dominant megacap multinationals including Apple, IBM, Procter & Gamble, and Johnson & Johnson.

Action now: Buy for a blend of income and capital gains.

Horizons Active Global Dividend ETF TSX: HAZ

BUY

Originally recommended on Dec. 8/19 (#21942) at $23.54. Closed Friday at $33.62.

Background: This actively managed ETF, sub-advised by Guardian Capital Corp., is another solid performer. It is geographically diverse with holdings in Canada, the US, and Europe. It aims to combine steady dividends with modest long-term capital growth.

Performance: The ETF is up 9.1% year-to-date and has a total average annual return of 14% over three years.

Key metrics: The ETF has $343 million

Continued on page 15...

HAZ—continued from page 14...

in assets, is low to medium risk and has a high management fee of 0.78%.

Portfolio: American holdings make up 50% of the fund, followed by Canada (14%) and France (13%). The ETF holds 39 companies with technology (19%), financials (18%), and healthcare (14%) the top sectors. Broadcom, Microsoft, and Apple represent 19% of the fund.

Distributions: The current yield is 1.6% with an annual payout of $0.49.

Discussion: The fund has captured the tech rebound and the strong performance of US financials. Of note, one of the top 10 holdings is Danish drugmaker Novo Nordisk, which markets the weight loss drug Ozempic. Nordisk's shares are up 87% in the past year.

Action now: Buy for a diversified dividend stream and capital gains.

VersaBank—continued from page 12...

Net interest margin on loans decreased 40 bps, or 13%, year-over-year and 6 bps, or 2%, sequentially at 2.63%. The decreases were due primarily to the strong growth of the POS financing portfolio (which is composed of lower-risk-weighted, lower yielding but higher return on common equity (ROCE) assets than the CRE portfolio.

The impact of the planned transition of some higher yielding, higher risk-weighted CRE loans to lower yielding, lower risk-weighted CRE loans is part of the bank's strategy to capitalize on opportunities for lower-risk loans with a higher return on capital deployed, as well as higher rates on term deposits experienced during the quarter.

This was offset partially by higher yields earned on the bank's lending assets. The company is making progress on its US expansion and continues to await approval. We expect news on that front in the second quarter. – R.I.

Portfolio management

I use Quicken Classic Business and personal software for portfolio management. I have used Quicken in various forms for at least the last 25 years and have been happy with it. They usually correct any issues that occur along the way. - Nigel S.