



ETF & MUTUAL FUND UPDATE

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

IN THIS ISSUE

Putting the Electric Vehicle's on Cruise with ETFs 1

What Smart Women Are Buying 3

Tax Efficiency in a TFSA 5

Geo-Sector Heatmap..... 8

Market Radar		
Markets	TSX Composite	S&P 500
P/E	19.58	29.55
Yield (%)	3.29	1.97
YTD Performance (%)	5.21	2.19
Top Performers	ETF	Mutual Fund
1-Month	FT AlphaDEX EM Div ETF CAD Hdg Adv	Ninepoint Energy Series F
YTD	Horizons Marijuana Life Sciences ETF	3iQ Global Cryptoasset Class A
3-Year	Evolve Automobile Innovation ETF	Signature Global Technology Corp Cl P

Market data as of March 3rd, 2021; top performers as of month-end.
 Note: We are no longer including leveraged ETF's in top performers list



ETFs and Funds: What Smart Women are Buying

By Barbara Stewart, CFA

In Spring 2020, I started offering a free “Rich Thinking Financial Advice Hotline”, a confidential online discussion about finances and investing. I’ve now had over 50 Zoom calls with a diverse array of female investors. In addition to these hotline calls, 58 women worldwide shared their investing success stories with me for my 11th annual Rich Thinking® research paper to be released on 8 March 2021—International Women’s Day.

What do women own these days in terms of Exchange-Traded Funds (ETFs) and funds? I’ll share the three most popular investing spaces and a few top fund picks.

Women Own ESG

Women worldwide are investing, or are willing to invest, at least some portion of their assets and resources into social investments. My research findings showed that the primary social cause of interest to high-net-worth women is Environmental, Social and Governance (ESG).

Charlotte Bengt is Digital Reporting Lead, Global Public Affairs and Sustainability, at Novo Nordisk in Copenhagen, Denmark: “I love working in the area of sustainability. I know that I’m needed to speed up the development of the world in this area. ESG is becoming more mainstream, and women are moving in that direction. Girls are learning to code, and life sciences are getting more and more women involved. In terms of investing, I am pleased to say that after a lot of contemplation, I finally bought a couple of European sustainability index funds in late August, and they have already appreciated considerably.

I decided to go with index funds because there are still very few companies that properly report how they integrate sustainability into their business daily. Although index funds do not hold the entire truth, I think they are a good place to start: It would take me far too much time to do the research myself.”

One of the largest funds in this market at nearly \$3 billion in assets is the iShares MSCI World KLD 400 Social ETF (DSI) which screens out controversial business areas and gives greater weighting to companies with higher ESG scores.

Most of the women I have interviewed prefer to invest in causes and concerns that are meaningful to them while making money at the same time!



Shira Abel is the CEO of Hunter & Bard, an award-winning Marketing & Design Agency in San Francisco: "I own DRIV because I believe in electric vehicles (EVs). EVs are definitely a 'cause' type of investment, but I also think it will go up in price. In fact, I would never buy a cause that wouldn't go up in price. I can donate money instead!"

The Global X Autonomous & Electric Vehicles ETF (DRIV) invests in companies involved in developing autonomous vehicle technology, electric vehicles, and EV components and materials. This includes companies involved in the development of autonomous vehicle software and hardware, as well as companies that produce EVs, EV components such as lithium batteries, and critical EV materials such as lithium and cobalt.

Women Own The World

A large proportion of the women I spoke with last year prefer to keep their investment strategies as simple as possible. In many cases, this means buying and holding only a few ETFs for the long-term. The most popular by far? MSCI World.

Elizabeth Holmenlund is the Vice President of Capital Four Management in Copenhagen, Denmark: "I have to say I am very boring when it comes to investing my own money. I don't want a complex approach, and I don't want to pay management fees if I can avoid it. I think this results from having studied to become a CFA Charterholder and having worked for so many years in the investment industry. I know that it is almost impossible to beat the market, and I just don't think I'm smarter than the rest of the market, so why try? Also, I look at investments all day for my job, and I don't want to do that in my free time as well! I invest exclusively in the MSCI World ETF, and in 2016 (my best year), it had a return of +30%."

iShares MSCI World ETF (URTH) offers exposure to a broad range of developed market companies around the world.

Women Own Tech

As of year-end 2020, 28% of the S&P 500 sector weighting was in Information Technology (stocks such as Apple and Microsoft), and another 10% was Communications Services (Facebook and Alphabet {formerly Google} for example.) But there are other stocks that many would think of as being tech stocks, even if the S&P puts them in other categories: the largest Consumer Discretionary stock was Amazon, at 4.4%, Tesla was 1.7%, and well over half of Berkshire Hathaway (1.5%) holdings were tech stocks, mainly Apple. (The percentages are roughly the same as of mid-February 2021.)

Putting it all together, just over 44% of the U.S. stock market was made up of tech companies—and women have been participating in the party!

Ann Richards is a former Investment Advisor with CIBC Wood Gundy in Toronto: "During my 25-year career as an investment advisor, I met many fund managers and researched many types of funds and ETFs. I tend to use actively-managed funds despite the higher fees. No one company has a monopoly on good ideas, but the Fidelity group always represented good value to me. I was looking for a fund to cover the FAANG (Facebook, Amazon, Apple, Netflix, Alphabet {formerly Google}) stocks when I learned that Fidelity was launching the Global Innovators Fund run by Schmehl. I took a position when it was launched on 1 November 2017, and have added to it since. It represents the aggressive part of my portfolio, which otherwise is bank stocks, dividend payers, and Guaranteed Investment Certificates (GICs). The manager Schmehl has brains and nerve, and I rely on him to invest on my behalf. The fund has tripled in value since it was launched!"

Global Innovators Fund aims to identify companies that have the potential to be "disruptive



innovators” in their industries. These types of companies may attempt to:

- (i) develop or produce innovative technologies,
- (ii) use new technology to displace established markets, methods, industries, or technologies and/or
- (iii) become leaders in new and emerging industries.

I’m feeling like a smart woman these days. Here is the Barbara Stewart brag: “I love markets! I had a strong suspicion at the end of April 2020 that the technology sector would fare well during and after COVID-19, so throughout the pandemic, I have been doing some short-term trading of the Nasdaq (via an ETF) in a risk-aware way. I bought Invesco QQQ Index ETF, which tracks the 100 largest non-financial companies listed on the NASDAQ based on market cap, and I’m up over 75% in just under one year! My strategy is to hold my initial position but use my trading profits to fund nonessential luxury items—things like jars of expensive Jo Malone body lotion or my monthly supply of fresh Swiss chocolates.”

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