

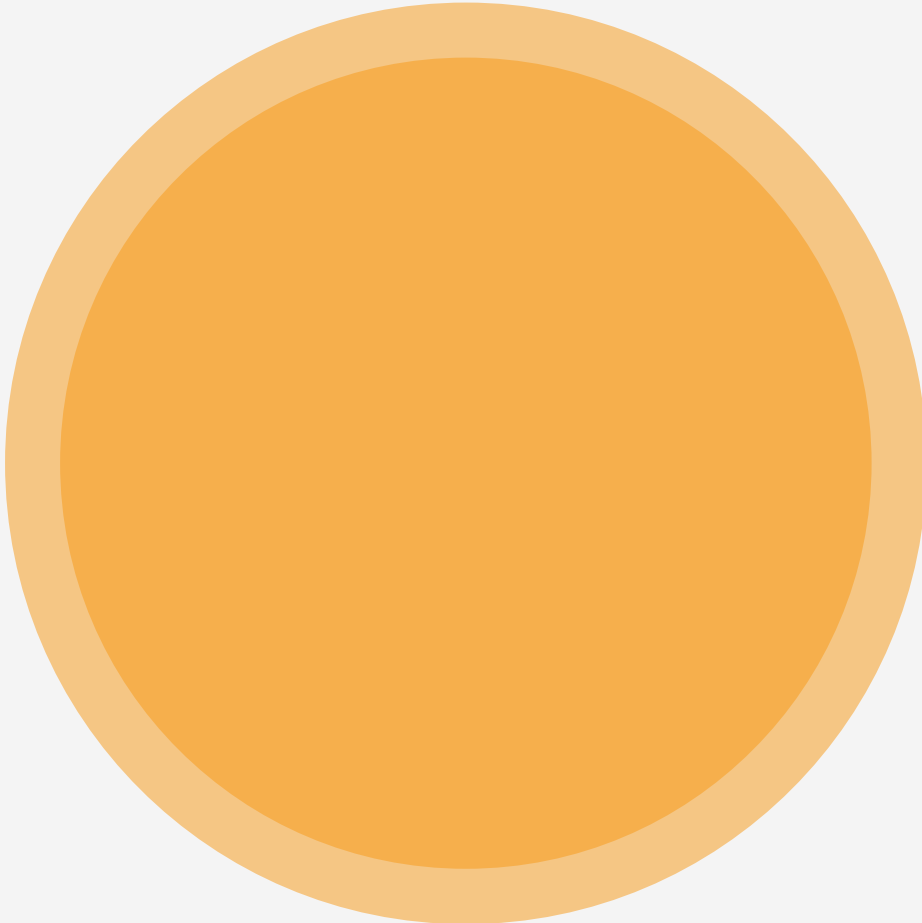


The Sunday Investor

Week 8: Ending February 26, 2021

S&P/TSX Composite Index Recap

By The Sunday Investor

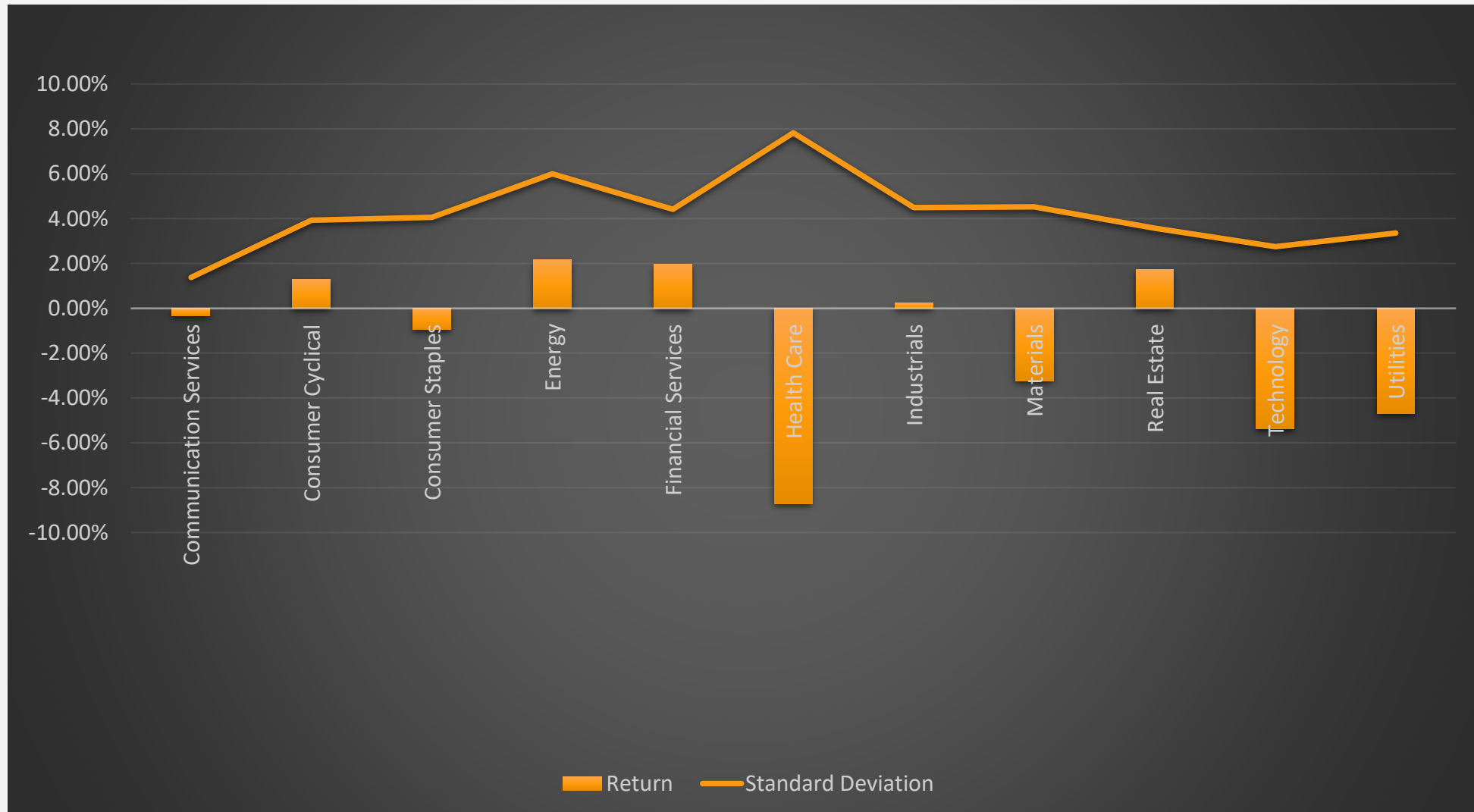


The S&P TSX Composite Index fell 324 points last week, or 1.76%, to close at 18,060, as inflation worries took hold even as investors get more optimistic about the economic recovery. The Financials sector was a bright spot as all Canadian banks had good earnings reports, with the biggest six gaining 2.27% on average. Energy producers also did well, with Vermilion Energy topping the index with a 14.84% gain. Shopify led the down stocks though, posting an 8.94% loss as the sector fell 5.38% on average. Utility stocks weren't helped by the rising bond yields either, as the sector lost 4.69%. Health Care and Materials stocks also lost 8.70% and 3.22%. Overall, the average TSX stock lost 0.93%, meaning that despite the positive news from Canadian banks, it was better to be an equal-weight investor this week.

The price of WTI gained \$2.55 this week, closing at \$61.50, and the discount on Western Canadian Select narrowed to only \$11 as the price settled at \$50.68. The Canadian - U.S. dollar pair fell 0.95% to 0.7850 after briefly touching 80 cents on Wednesday, and the price of gold continued its fall another \$51 to finish at \$1,732 which weighed on the Materials sector (-3.22%). This week's newsletter builds on the information gathered in the last two newsletters on Canadian-listed ETFs. Inside, you'll find two model ETFs that solve one of the most common problems that many all-in-one ETF offerings have: low yield. It's just the beginning of what I hope will be many others being posted to my website in the coming months. As always, if you have any suggestions or would like to see if you can turn your personal portfolio into a low-cost ETF version, I'm up for the challenge!

WEEKLY RETURN & RISK BY SECTOR

Returns are calculated as a simple average, not based on market-capitalization. Risk is considered to be population standard deviation of returns.



HIGHER YIELDING
MODEL PORTFOLIOS

WHY BUILD YOUR OWN ETF PORTFOLIO?

Readers of my last two newsletters will know that lately, I've been doing a deep-dive into all the Canadian-listed ETFs available in Canada. There are just over 1,000 as of the latest count, and they cover the asset classes investors are most interested in for relatively low fees. Recently, all-in-one ETFs managed by firms like BMO, Vanguard, and TD, have been called game-changers, and from what I can tell, there are a lot of positives to take from them.

There are situations when all-in-one ETFs may not be appropriate, though. The first thing to come to mind is their low yields – there aren't many that are yielding over 3%, and this can be a problem if you're nearing or in retirement and need the supplemental income, or if you simply like the idea of income-generating assets. Most of this is caused by low yields in U.S. equities as well as low interest rates. For example, the S&P 500 is only yielding 1.54% right now, and that can be tough to overcome when bond yields are at historic lows. You shouldn't get discouraged from ETF investing because of this, though – it can be done.

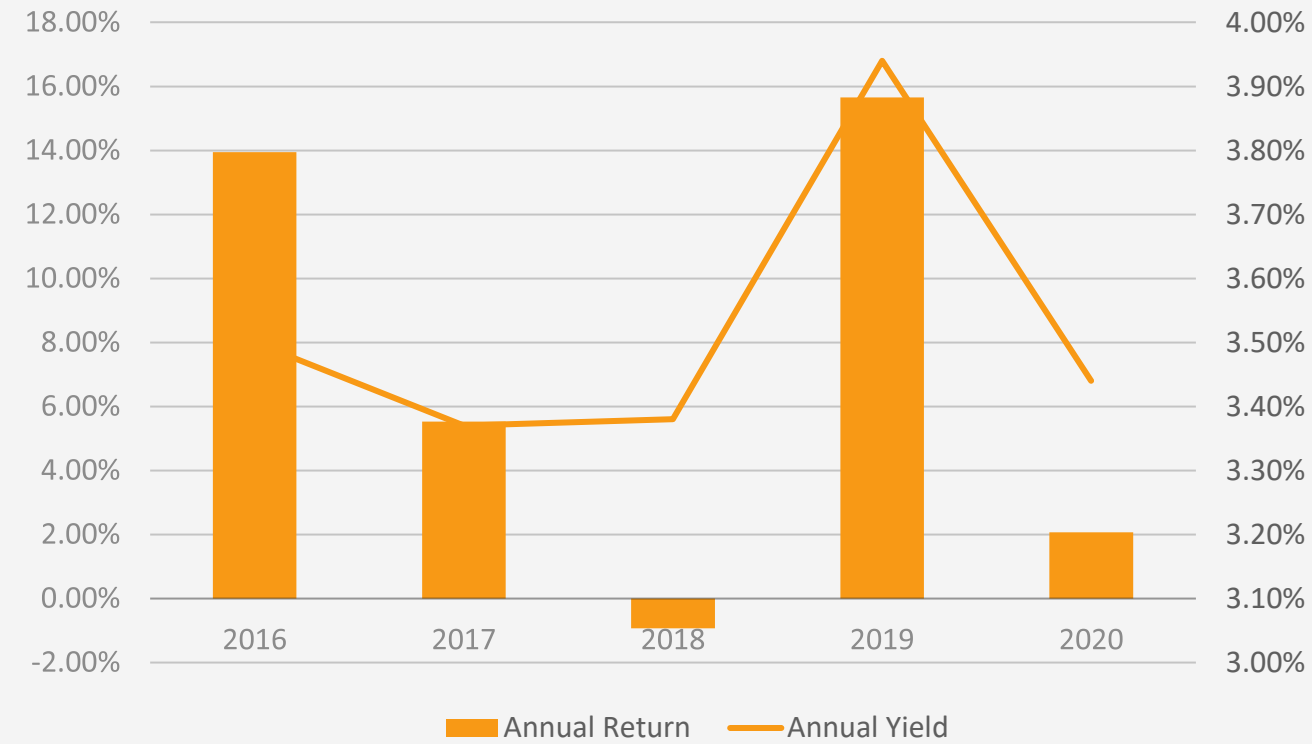
Another gap I've noticed is that investors are more or less forced to take on a moderate to high level of interest rate risk, even with the "conservative" offerings. As discussed in [last week's newsletter](#), long duration bonds will be a problem if interest rates rise, and with rising inflation this is more likely to happen now. No matter your view, though, it's still nice to have the freedom to modify your portfolio as the economic environment changes. All-in-one ETFs don't make that easy to do.

I've created two model portfolios that yield 3.65% and 3.10% using a combination of just seven and ten ETFs, respectively. The net fees are on par with most all-in-one ETFs, and the five-year results shown are if an investor had rebalanced annually. This is just the beginning of many model ETF portfolios I'll be creating over the next few months. Send me your ideal portfolio you'd like to automate – I'm sure there are low-cost ETF options out there!

North American Balanced

● VDY (4.59% Yield)	20% Canadian Dividend
● XIC (3.04% Yield)	10% Canadian Broad Market
● ZDY (3.87% Yield)	20% U.S. Dividend
● ZLU (1.86% Yield)	10% U.S. Broad Market
● ZAG (2.92% Yield)	20% Canadian Fixed-Income
● ZIC (3.48% Yield)	10% U.S. Fixed-Income
● CHB (5.40% Yield)	10% U.S. High-Yield Fixed-Income

North American Balanced Portfolio

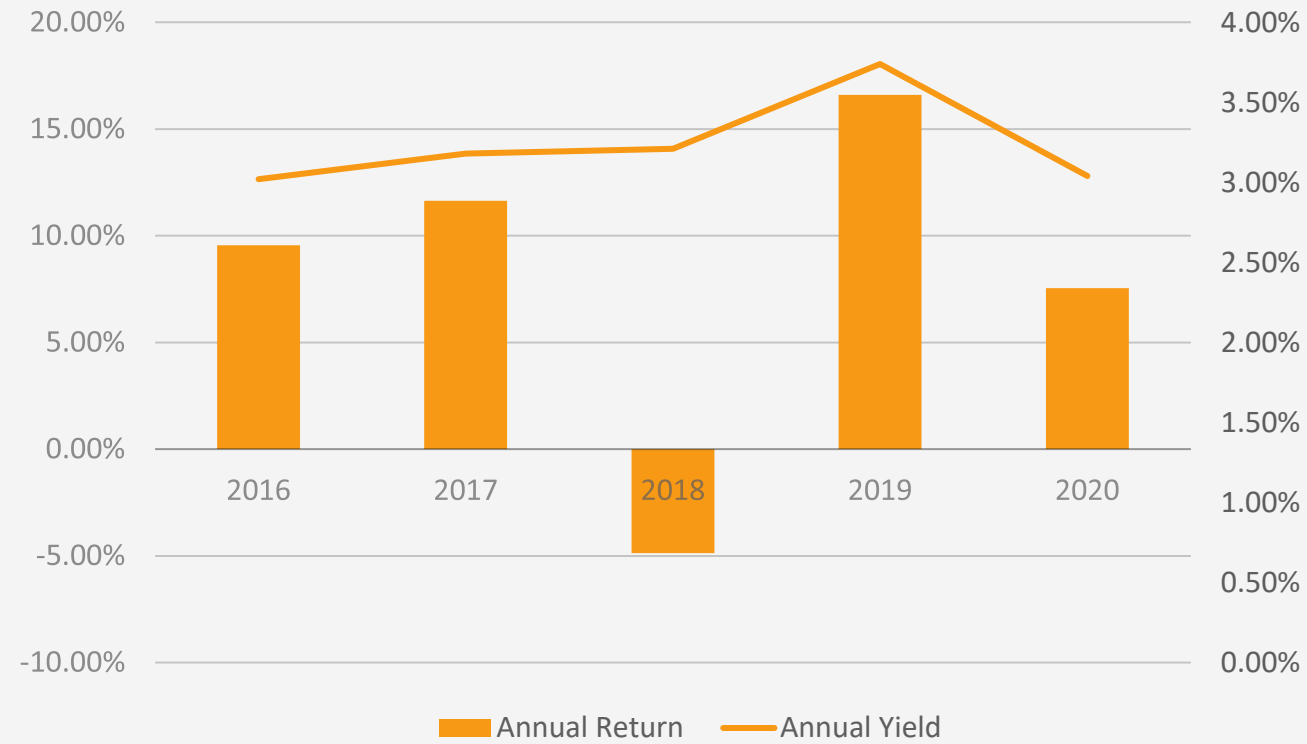


The North American Balanced Portfolio is made up of 7 ETFs with equal-weight exposure to both Canada and the United States as well as Equities and Fixed-Income. It currently yields 3.65%, and from 2016-2020 it produced a compound annual growth rate (CAGR) of 7.06% with a standard deviation (risk) of only 8.50%. This portfolio may suit investors wishing to avoid the risks of international investing but who are comfortable investing in some riskier bonds. Its net fees of 0.25% are the same as several all-in-one ETFs offered by providers such as Vanguard and TD Bank, but the yield will be higher due to its focus on dividend-paying equities as well as a higher allocation to high-yield bonds and bonds with longer durations.

Global 60/40

● VDY (4.59% Yield)	10% Canadian Dividend
● XIC (3.04% Yield)	10% Canadian Broad Market
● VGH (1.24% Yield)	10% U.S. Dividend
● XUH (1.25% Yield)	10% U.S. Broad Market
● ZDI (5.00% Yield)	10% International Equity
● XEC (1.59% Yield)	10% Emerging Equity
● ZFL (2.70% Yield)	10% Federal Fixed-Income
● ZMP (2.54% Yield)	10% Provincial Fixed-Income
● ZMU (3.54% Yield)	10% Corporate Fixed-Income
● CHB (5.40% Yield)	10% High-Yield Fixed Income

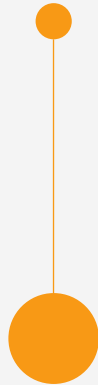
Global Balanced Portfolio



The Global 60/40 Portfolio is made up of 10 equal-weighted ETFs with the majority of its exposure being to U.S. and Canadian equities and bonds, but also with about 20% foreign exposure. It currently yields 3.10%, and from 2016-2020 it produced a compound annual growth rate (CAGR) of 7.84% with a standard deviation (risk) of only 8.92%. This portfolio may suit investors who are looking to get relatively low-risk global exposure while still maintaining a higher yield than many all-in-one ETFs offer. Its net fees are 0.27%, and investors can easily substitute BMO's lineup of short-term, mid-term, and long-term federal and provincial bond ETFs if they have concerns about interest rate fluctuations.

LAST WEEK'S ECONOMIC NUMBERS

Just a few of the key economic events that occurred last week in Canada and the U.S.



U.S. Consumer Confidence

The U.S. CB Consumer Confidence Index roes to 91.3 from last month's 88.9, but is still well-below pre-pandemic levels of 132.6.



U.S. GDP

Q4 U.S. GDP rose 4.1% quarter-over-quarter, slightly missing economist expectations for a 4.2% increase. The GDP Price Index also rose 2%, on par with forecasts.



U.S. Pending Home Sales

U.S. Pending Home Sales fell 2.8% in January, surprising analysts who forecast a 0.2% drop. This was the fifth consecutive month of decreases.



Canadian Raw Material Prices

The Canada Raw Materials Price Index (RMPI) rose 5.7% in January, up from 3.5% in December and the fourth consecutive month of rising prices. Analysts use this as a leading indicator for consumer inflation.

UPCOMING EARNINGS RELEASES

After last week's upbeat earnings reports from Canadian banks, earnings season is still underway!



GEORGE WESTON

George Weston is due to release its quarterly earnings report on March 2. Analysts are expecting EPS of 1.89



BROWN FORMAN

Brown Forman is due to release its quarterly earnings report on March 3. Analysts are expecting EPS of 0.42



COSTCO

Costco is due to release its quarterly earnings report on March 4. Analysts are expecting EPS of 2.44.



CANADIAN NATURAL RESOURCES

Canadian Natural Resources is due to release its quarterly earnings report on March 4. Analysts are expecting EPS of 0.13.





WEEKLY STOCK RETURNS

The next section includes the weekly returns for all 220+ S&P/TSX Composite Index stocks. I have organized the stocks by sector and included their ticker and industry as well. If a stock is not in this list but you would like to see it in future newsletters, please send me an email!

Scroll through the lists and check out how your holdings performed in comparison to their competitors. For a more interactive version, check out the Sunday Investor Website for a condensed, but sortable version.



Communication Services

Symbol	Company	Industry	Return
BCE	BCE	Telecom Services	-1.04%
CCA	Cogeco Communications	Telecom Services	-1.01%
CJR.B	Corus Entertainment	Entertainment	0.76%
QBR.B	Quebecor	Telecom Services	2.30%
RCI.B	Rogers Communications	Telecom Services	-1.15%
SJR.B	Shaw Communications	Telecom Services	-0.05%
T	TELUS	Telecom Services	-2.15%





Consumer Cyclical

Symbol	Company	Industry	Return
ATZ	Aritzia	Apparel Retail	3.74%
BYD	Boyd Group	Personal Services	-4.28%
CCL.B	CCL Industries	Packaging & Containers	2.89%
CTC.A	Canadian Tire	Specialty Retail	-8.15%
DOO	BRP	Recreational Vehicles	1.73%
GC	Great Canadian Gaming	Gambling	0.31%
GIL	Gildan Activewear	Apparel Manufacturing	10.99%
GOOS	Canada Goose Holdings	Apparel Manufacturing	0.26%
ITP	Intertape Polymer Group	Packaging & Containers	1.31%
LNR	Linamar	Auto Parts	1.35%
MG	Magna International	Auto Parts	1.97%
MRE	Martinrea International	Auto Parts	1.50%
NFI	NFI Group	Auto Manufacturers	2.65%
QSR	Restaurant Brands International	Restaurants	-0.77%
RCH	Richelieu Hardware	Furnishings & Appliances	-2.17%
TOY	Spin Master	Leisure	6.97%
WPK	Winpak	Packaging & Containers	0.40%
ZZZ	Sleep Country Canada Holdings	Specialty Retail	2.40%



Consumer Staples

Symbol	Company	Industry	Return
ATD.B	Alimentation Couche-Tard	Grocery Stores	0.42%
DOL	Dollarama	Discount Stores	0.48%
EMP.A	Empire Company	Grocery Stores	-3.81%
JWEL	Jamieson Wellness	Packaged Foods	-1.45%
L	Loblaw Companies	Grocery Stores	-0.89%
MFI	Maple Leaf Foods	Packaged Foods	9.46%
MRU	Metro	Grocery Stores	-2.61%
PBH	Premium Brands Holdings	Packaged Foods	-0.26%
PRMW	Primo Water	Beverages—Non-Alcoholic	-8.22%
SAP	Saputo	Packaged Foods	-3.03%
WN	George Weston	Grocery Stores	-0.60%





Energy

Symbol	Company	Industry	Return
ARX	ARC Resources	Oil & Gas E&P	-2.93%
CCO	Cameco	Uranium	-4.54%
CNQ	Canadian Natural Resources	Oil & Gas E&P	-0.77%
CPG	Crescent Point Energy	Oil & Gas E&P	1.74%
CVE	Cenovus Energy	Oil & Gas Integrated	8.03%
ENB	Enbridge	Oil & Gas Midstream	-1.65%
ERF	Enerplus	Oil & Gas E&P	9.79%
GEI	Gibson Energy	Oil & Gas Midstream	3.04%
IMO	Imperial Oil	Oil & Gas Integrated	4.46%
IPL	Inter Pipeline	Oil & Gas Midstream	0.22%
KEY	Keyera	Oil & Gas Midstream	-5.34%
MEG	MEG Energy	Oil & Gas E&P	11.73%
PKI	Parkland Fuel	Oil & Gas Refining & Marketing	7.84%
PPL	Pembina Pipeline	Oil & Gas Midstream	-5.21%
PSK	PrairieSky Royalty	Oil & Gas E&P	4.62%
PXT	Parex Resources	Oil & Gas E&P	-2.87%
SU	Suncor Energy	Oil & Gas Integrated	5.56%
TOU	Tourmaline Oil	Oil & Gas E&P	-2.20%
TRP	TC Energy	Oil & Gas Midstream	-5.48%
VET	Vermilion Energy	Oil & Gas E&P	14.84%
VII	Seven Generations Energy	Oil & Gas E&P	-2.67%
WCP	Whitecap Resources	Oil & Gas E&P	9.49%



Financial Services (1/2)

Symbol	Company	Industry	Return
BAM.A	Brookfield Asset Management	Asset Management	-6.21%
BMO	Bank of Montreal	Banks—Diversified	2.70%
BNS	Bank of Nova Scotia	Banks—Diversified	4.04%
CIX	CI Financial	Asset Management	-1.00%
CM	Canadian Imperial Bank Of Commerce	Banks—Diversified	2.24%
CWB	Canadian Western Bank	Banks—Regional	12.89%
ECN	ECN Capital	Credit Services	3.36%
EQB	Equitable Group	Mortgage Finance	11.44%
FFH	Fairfax Financial Holdings	Insurance—Property & Casualty	0.68%
FN	First National Financial	Mortgage Finance	-0.30%
GWO	Great-West Lifeco	Insurance—Life	3.86%
HCG	Home Capital Group	Mortgage Finance	-0.66%
IAG	iA Financial	Insurance—Diversified	1.74%
IFC	Intact Financial	Insurance—Property & Casualty	-1.45%
IGM	IGM Financial	Asset Management	-0.60%
LB	Laurentian Bank of Canada	Banks—Regional	8.84%
MFC	Manulife Financial	Insurance—Life	2.97%
MIC	Genworth MI Canada	Insurance—Specialty	-0.07%
NA	National Bank of Canada	Banks—Diversified	6.70%
ONEX	ONEX	Asset Management	-1.77%
POW	Power of Canada	Insurance—Life	-1.10%
RY	Royal Bank of Canada	Banks—Diversified	-1.28%



Financial Services (2/2)

Symbol	Company	Industry	Return
SII	Sprott	Asset Management	7.68%
SLF	Sun Life Financial	Insurance—Diversified	-1.81%
TD	Toronto-Dominion Bank	Banks—Diversified	1.00%
X	TMX Group	Financial Data & Exchanges	-2.83%





Health Care

Symbol	Company	Industry	Return
ACB	Aurora Cannabis	Specialty & Generic Drugs	-12.60%
APHA	Aphria	Specialty & Generic Drugs	-11.14%
AUP	Aurinia Pharmaceuticals	Biotechnology	-11.61%
BHC	Bausch Health Companies	Specialty & Generic Drugs	-0.60%
CRON	Cronos Group	Specialty & Generic Drugs	-14.08%
SIA	Sienna Senior Living	Medical Care Facilities	8.77%
TRIL	Trillium Therapeutics	Biotechnology	-14.26%
WEED	Canopy Growth	Specialty & Generic Drugs	-14.09%





Industrials (1/2)

Symbol	Company	Industry	Return
AC	Air Canada	Airlines	4.50%
ARE	Aecon Group	Engineering & Construction	7.41%
ATA	ATS Automation Tooling Systems	Specialty Industrial Machinery	-4.36%
BAD	Badger Daylighting	Engineering & Construction	1.63%
BBU.UN	Brookfield Business Partners	Conglomerates	-3.62%
BLDP	Ballard Power Systems	Specialty Industrial Machinery	-12.57%
CAE	CAE	Aerospace & Defense	3.79%
CJT	Cargojet	Integrated Freight & Logistics	-5.87%
CNR	Canadian National Railway	Railroads	0.77%
CP	Canadian Pacific Railway	Railroads	-2.21%
EFN	Element Fleet Management	Rental & Leasing Services	0.48%
EIF	Exchange Income	Airlines	1.76%
FTT	Finning International	Industrial Distribution	4.65%
GFL	GFL Environmental	Waste Management	4.55%
MSI	Morneau Shepell	Staffing & Employment Services	0.82%
MTL	Mullen Group	Trucking	1.31%
RBA	Ritchie Bros. Auctioneers	Specialty Business Services	3.56%
RUS	Russel Metals	Industrial Distribution	1.53%
SNC	SNC-Lavalin Group	Engineering & Construction	-5.92%
STN	Stantec	Engineering & Construction	3.82%
TCL.A	Transcontinental	Specialty Business Services	1.96%
TFII	TFI International	Trucking	-2.60%



Industrials (2/2)

Symbol	Company	Industry	Return
TIH	Toromont Industries	Industrial Distribution	0.65%
TRI	Thomson Reuters	Consulting Services	6.95%
WCN	Waste Connections	Waste Management	-1.44%
WSP	WSP Global	Engineering & Construction	-7.40%
WTE	Westshore Terminals Investment	Marine Shipping	0.91%





Materials (1/3)

Symbol	Company	Industry	Return
ABX	Barrick Gold	Gold	-4.37%
AEM	Agnico Eagle Mines	Gold	-5.41%
AGI	Alamos Gold	Gold	-3.43%
BTO	B2Gold	Gold	-7.51%
CAS	Cascades	Paper & Paper Products	3.39%
CFP	Canfor	Lumber & Wood Production	0.58%
CG	Centerra Gold	Gold	-8.45%
DPM	Dundee Precious Metals	Gold	-1.37%
EDV	Endeavour Mining	Gold	-3.81%
ELD	Eldorado Gold	Gold	-12.70%
EQX	Equinox Gold	Gold	-6.56%
ERO	ERO Copper	Copper	-6.38%
FM	First Quantum Minerals	Copper	-5.67%
FNV	Franco-Nevada	Gold	-2.93%
FR	First Majestic Silver	Silver	3.80%
FVI	Fortuna Silver Mines	Silver	3.91%
HBM	Hudbay Minerals	Copper	-10.77%
IFP	Interfor	Lumber & Wood Production	1.90%
IMG	IAMGOLD	Gold	-5.51%
IVN	Ivanhoe Mines	Other Metals & Mining	0.51%
K	Kinross Gold	Gold	-4.47%
KL	Kirkland Lake Gold	Gold	-7.70%



Materials (2/3)

Symbol	Company	Industry	Return
LIF	Labrador Iron Ore Royalty	Steel	-0.44%
LUG	Lundin Gold	Gold	7.10%
LUN	Lundin Mining	Copper	-4.21%
MAG	MAG Silver	Silver	-3.59%
MX	Methanex	Chemicals	4.32%
NG	NovaGold Resources	Gold	-6.15%
NGD	New Gold	Gold	6.77%
NTR	Nutrien	Agricultural Inputs	-3.62%
OGC	OceanaGold	Gold	-3.16%
OR	Osisko Gold Royalties Ltd	Gold	-9.29%
OSK	Osisko Mining	Other Precious Metals & Mining	-5.70%
PAAS	Pan American Silver	Silver	2.71%
PVG	Pretium Resources	Gold	-3.88%
SEA	Seabridge Gold	Gold	-5.57%
SIL	Silvercrest Metals	Other Precious Metals & Mining	-4.77%
SJ	Stella-Jones	Lumber & Wood Production	-1.62%
SSL	Sandstorm Gold	Gold	-4.12%
SSRM	SSR Mining	Gold	-4.94%
SVM	Silvercorp Metals	Silver	-3.65%
TECK.B	Teck Resources	Other Metals & Mining	-8.65%
TXG	Torex Gold Resources	Gold	2.59%
WDO	Wesdome Gold Mines	Gold	0.23%



Materials (3/3)

Symbol	Company	Industry	Return
WFG	West Fraser Timber Co.	Lumber & Wood Production	-0.78%
WPM	Wheaton Precious Metals	Gold	-4.09%
YRI	Yamana Gold	Gold	-8.99%





Real Estate (1/2)

Symbol	Company	Industry	Return
AIF	Altus Group	Real Estate Services	8.41%
AP.UN	Allied Properties REIT	REIT—Office	7.73%
AX.UN	Artis REIT	REIT—Diversified	4.79%
BEI.UN	Boardwalk REIT	REIT—Residential	2.74%
BPY.UN	Brookfield Property Partners	Real Estate Services	-2.08%
CAR.UN	Canadian Apartment Properties REIT	REIT—Residential	3.93%
CHP.UN	Choice Properties REIT	REIT—Retail	0.09%
CIGI	Colliers International Group	Real Estate Services	-0.54%
CRR.UN	Crombie REIT	REIT—Diversified	1.55%
CRT.UN	CT Real Estate Investment Trust	REIT—Retail	-0.47%
CSH.UN	Chartwell Retirement Residences	Real Estate—Development	3.30%
CUF.UN	Cominar REIT	REIT—Diversified	2.67%
D.UN	Dream Office REIT	REIT—Office	2.89%
DIR.UN	Dream Industrial REIT	REIT—Industrial	-2.94%
FCR.UN	First Capital Realty REIT	REIT—Retail	4.33%
FSV	FirstService	Real Estate Services	-0.67%
GRT.UN	Granite REIT	REIT—Industrial	-3.23%
HR.UN	H&R REIT	REIT—Diversified	2.77%
IIP.UN	InterRent REIT	REIT—Residential	4.09%
KMP.UN	Killam Apartment REIT	REIT—Residential	0.48%
NWH.UN	NorthWest Healthcare Properties REIT	REIT—Healthcare Facilities	-4.06%
REI.UN	RioCan REIT	REIT—Retail	5.31%



Real Estate (2/2)

Symbol	Company	Industry	Return
SMU.UN	Summit Industrial Income REIT	REIT—Industrial	-5.47%
SRU.UN	SmartCentres REIT	REIT—Retail	5.44%
TCN	Tricon Capital Group	Real Estate Services	-0.48%
WIR.UN	WPT Industrial REIT	REIT—Industrial	-5.83%





Technology

Symbol	Company	Industry	Return
BB	BlackBerry	Software—Infrastructure	-6.40%
CLS	Celestica	Electronic Components	-3.83%
CSU	Constellation Software	Software—Application	-4.44%
DSG	Descartes Systems Group	Software—Application	-3.35%
ENGH	Enghouse Systems	Software—Application	-6.10%
GIB.A	CGI	Information Technology Services	-1.60%
KXS	Kinaxis	Software—Application	-2.41%
LSPD	Lightspeed POS	Software—Application	-11.00%
OTEX	Open Text	Software—Application	-3.80%
REAL	Real Matters	Software—Application	-7.35%
SHOP	Shopify	Software—Application	-8.94%





Utilities

Symbol	Company	Industry	Return
ACO.X	ATCO	Utilities—Diversified	-1.69%
ALA	AltaGas	Utilities—Regulated Gas	-1.36%
AQN	Algonquin Power & Utilities	Utilities—Renewable	-9.59%
BEP.UN	Brookfield Renewable Partners	Utilities—Renewable	-7.64%
BIP.UN	Brookfield Infrastructure Partners	Utilities—Diversified	-2.34%
BLX	Boralex	Utilities—Renewable	-2.34%
CPX	Capital Power	Independent Power Producers	-5.19%
CU	Canadian Utilities	Utilities—Diversified	-4.95%
EMA	Emera	Utilities—Diversified	0.04%
FTS	Fortis	Utilities—Regulated Electric	-2.60%
H	Hydro One	Utilities—Regulated Electric	-3.64%
INE	Innergex Renewable Energy	Utilities—Renewable	-6.59%
NPI	Northland Power	Utilities—Renewable	-12.52%
RNW	TransAlta Renewables	Utilities—Renewable	-5.26%
SPB	Superior Plus	Utilities—Regulated Gas	-2.85%
TA	TransAlta	Independent Power Producers	-9.01%



DISCLAIMER

I would like to remind all readers that I am not qualified to provide investment advice. Nothing that appears in this newsletter, on The Sunday Investor website, or any other publication under my name or alias should be construed as investment advice. Best efforts are made to ensure the data provided is accurate, however errors should be expected from time to time and investors are encouraged to verify all information independently.

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