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JULY/AUGUST 2025

SPECIAL FEATURES

REGULAR FEATURES

EDITOR: Peter Hodson

CONTRIBUTING EDITORS:
Ed Arbuckle, John De Goey, Jason Heath, Michael Huynh, Ken Kivenko, Fred J. Masters, Ryan Modesto, Richard Morrison, Julie Petrera, Rino Racanelli, Colin Ritchie, Norm Rothery, Rita Silvan, Barbara Stewart, Chris White.

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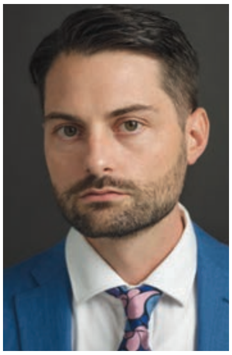

Did you know that according to TD securities, as of the end of 2024, there were 1,542 actively listed ETFs in Canada? Meanwhile, the TSX Composite and TSX Venture exchanges together only contain 345 companies (roughly 217 in the TSX Comp and 128 in the Venture)! Even if we add in the S&P 500, there are nearly double the number of ETF's in Canada than there are actual individual stocks a 'typical' Canadian investor might own. Don't get me wrong, the proliferation of ETF's has probably been one of the best developments in the modern financial world but it feels like sometimes we forget that actual companies and stocks are the fundamental building blocks that all of these ETFs are built on! That's why for our summer issue, while you are hopefully relaxing on the porch or dock by the water, we wanted to focus much of this issue on the topic of stocks and investing.

We truly believe that, while investing can be hard, finding just one or two truly spectacular companies can be life changing for an individual. Of course, the hard part about this is often holding onto these names long enough to reap the benefits. This is what my article on holding onto big winners dives into further down in this issue. Keith Richards touches on the topic of 'buying Canadian' which could not be more timely given the outperformance the TSX has had this year alongside the tariff related Buy Canada trends we are all acutely cognizant of. Drilling down further into the topic of stocks, Chris White and Michael Huynh discuss two interesting stock ideas, while Chris goes on to assess some common traits across companies that outperform over time.

We also take some time to touch on different types of approaches to investing. Richard Morrison looks at the idea of following insider buys/sells and some tools that can help readers follow along with what executives at companies are doing and Rita Silvan covers her annual retreat to the Ben Graham Value Investor Conference. Knowing you want to buy or sell a stock is one thing, but you also need to know how to go about it! Julie Petrera steps in to discuss the nuances behind 'buy low, sell high' to help get you one step closer to that stock you've always wanted to own.

There is a lot to cover in this issue, so go find a spot in the shade with your beverage of choice, kick back, relax and read about some stocks on the dock this summer. See you in the Fall!

Ryan

Ryan Modesto. CFA
Canadian MoneySaver

MoneySaver DIVIDEND & COMPANY NEWS

In this column we list recent news, events, dividend income news and any other relevant information for *MoneySavers*. News items are those received after our last publication date. Please go to **https://www.5iresearch.ca/dividend-updates** for a more comprehensive list of dividend updates.

- EQB Inc. (EQB) raises dividend by 4%
- National Bank (NA) raises dividend by 3.5%
- Bank of Montreal (BMO) raises dividend by 5%
- Taiga Building Products (TBL) declares special dividend of $1.67 per share
- Bank of Nova Scotia (BNS) raises dividend by 4%
- Canadian Net REIT (NET.UN) raises distribution by 1.5%
- Dominion Lending Centres (DLCG) raises dividend by 33%
- Caribbean Utilities (CUP.U) raises dividend by 2.7%
- Finning International (FTT) raises dividend 10%
- Magellan Aerospace (MAL) increases dividend by 100%
- Sun Life Financial (SLF) raises dividend by 4.8%
- Pembina Pipeline (PPL) raises dividend by 2.8%
- Fiera Capital (FSZ) cuts dividend by 50%
- Osisko Gold Royalties (OR) raises dividend to 5.5 US cents from 6.5 Canadian cents
- Topaz Energy (TPZ) raises dividend by 3%

Canadian MoneySaver MODEL ETF PORTFOLIO

ETF	SYMBOL	CATEGORY	PRICE	# OF UNITS	TOTAL	% OF PORTFOLIO
iShares 1-5 Year Laddered Corporate Bond	CBO	Fixed Income	18.45	506	9,335.70	3.7%
iShares DEX Universe Bond	XBB	Fixed Income	28.38	280	7,946.40	3.2%
iShares S&P/TSX Canadian Preferreds	CPD	Fixed Income	12.84	738	9,475.92	3.8%
iShares S&P/TSX Capped Composite	XIC	Equity: Canada	41.87	740	30,983.80	12.4%
iShares S&P/TSX Cdn. Div Aristocrats	CDZ	Equity: Canada Div.	36.93	613	22,638.09	9.1%
iShares U.S. High Yield Bond Index ETF	XHY	Fixed Income	16.52	350	5,782.00	2.3%
Vanguard FTSE Emerging Markets Index	VEE	Equity: Emerging	38.77	375	14,538.75	5.8%
Vanguard FTSE Developed Europe All Cap	VE	Equity: Interntional	41.01	304	12,467.04	5.0%
SPDR S&P 500	SPY	Equity: U.S.	589.39	41	33,202.70	13.3%
Vanguard US Dividend Appreciation Index	VGG	Equity: U.S. Div.	92.61	217	20,096.37	8.0%
iShares Russell 2000 Growth	IWO	Equity: U.S. Growth	269.62	57	21,116.10	8.4%
BMO Covered Call Utilities	ZWU	Equity: N.A. Div	11.04	604	6,668.16	2.7%
Vanguard Information Technology Index	VGT	Equity: U.S	606.37	30	24,994.57	10.0%
Consumer Discretionary Select Sector SPDR	XLY	Equity: U.S	212.06	76	22,144.15	8.9%
Cash	**Cash**	**Cash**			**8,557.78**	**3.4%**
Total Portfolio					**249,947.53**	

Exchange Rate	1.37	$ Gain/(Loss):	149,947.53
Inception value:	100.000.00	% Gain/(Loss):	149.95%
Inception date:	October 18. 2013	% Annualized:	8.20%

Prices are at market close on May 30, 2025.
Individual prices are in USD$. Portfolio values, $Gain/(Loss), % Gain/(Loss), % Annualized all reflect USD$ values are converted to CAD$
Returns include foreign exchange gains/losses
Current notes: Added a 1.5% position of XLY as of December 31, 2024 market close.
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Buy Canadian, Eh?

Keith Richards

Way back in early January 2025, I began posting blogs on why I thought the Canadian markets would outperform the U.S. indices. You can find a blog posted in January 2025 outlining my reasoning for a stronger TSX 300 this year on www.valuetrend.ca, called “6 Reasons the TSX Could Outperform the S&P 500 in 2025”.[1]

Today, I want to reiterate my call for a stronger relative performance by the TSX. More importantly, I want to discuss the potential for the Canadian dollar vs. the USD in both the short and longer-term picture. After reviewing the outlooks for the TSX 300 vs. S&P 500, and the CAD vs. the USD outlook, I will present you with ValueTrend’s strategy.

S&P 500: The Slower Racehorse

Technical analysis uses two primary trend indicators. One indicator tracks the peaks and troughs on a chart, and the other is tracking key moving averages.

1. Starting with basic peak/trough trend analysis: A bear market is defined by successive lower highs and lower lows—typically on a weekly chart. Conversely, a bull market is defined by successively higher highs and lows. A market must take out the last high to suggest a reversal from the bear market.

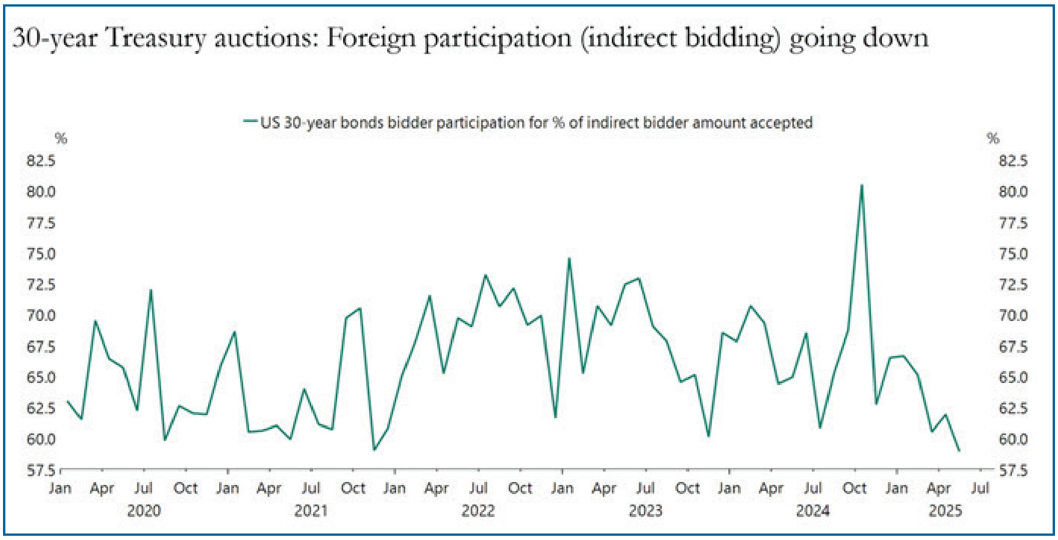
2. Moving averages are trend-confirming indicators: The two most widely followed moving averages when tracking a market index are the 50-day and 200-day averages. The most important of those averages is the 200-day moving average. That moving average is so widely followed by institutional and retail investors, that a move above or below its line becomes a bit of a self-fulfilling prophecy.

Bull markets are largely supported by a chart with rising peaks and troughs and staying above the 200-day moving average. Conversely, bear markets are confirmed by falling peaks and troughs and staying below the 200-day moving average.

Using the above two rules applied to the S&P 500, we can see that the Index is above the 200-day moving average, which appears as the 40-week moving average on the chart. But it is still below its previous high of 6100 as I write this article on 21 May 2025. The S&P 500 is not back to a bull market until 6100 is taken out with

conviction. In other words, it needs to stay above 6100 for a reasonable period before calling off the bear market.

If we apply the same two rules to the TSX 300 chart, we can see that the Index is above its 200-day moving average, and has just recently put in a new high. It's



important to note that the TSX must remain above that old high near 25,800 for at least a couple of weeks before calling it a bull market. By the time you read this article, you will know what the outcome was!

TSX Sector Strength Is Better

The TSX sector concentration differs from its American counterpart. While the S&P 500 Index is concentrated in Technology and Consumer Discretionary stocks (about 33% between them), the TSX is more concentrated in Industrials, Materials and Energy (about 40% between them). Both Indices hold a healthy concentration in Financials, but the 30% concentration in the TSX trumps the 20% Financials held in the U.S. Index. (Pardon the Trump-pun).

The recent outperformance by the TSX has been due largely to Materials (gold, in particular) and Energy (natural gas, in particular). The U.S. was held back by the poor performance of the FAANGS (tech leaders)[2] which are concentrated through its large Technology and Consumer Discretionary sectors.

Let's Talk About the Loonie

It may come as a massive shock for you to learn that the U.S. has been imposing tariffs throughout the world. I know; this is all news to you, right? Okay, tongue out of cheek now. The fact is, President Trump has been forced to the negotiating tables by a weakening bond market in the USA. This, after the tariff announcements created a poor treasury auction in April 2025.

That poorly received auction, in turn, weakened the U.S. dollar against the world basket of currencies massively over March and April 2025. The bond market is sending a message to the Trump Administration. That is, the USA could face a significant recession if tariff rates come in as steep as originally suggested.

On the next page is the USD chart against the world currency basket.

The Canadian dollar (loonie) has **underperformed** the world basket of currencies. However, the massive decline in the USD has allowed our loonie to outperform the greenback. Our loonie moved from a low of $0.68 to

above $0.72 at the time of writing.

Below is a CAD dollar vs USD chart. Note the resistance lines between US$0.72 to US$0.78; My technical view suggests the CAD will have some trouble going through $0.72, but if it does break that point, the

maximum upside would be $0.78.

Here's The Rub

Tariff talks will end in the coming weeks or months. The result of uncertainty lifting after these developments should see a stabilization and strengthening in the USD, and U.S. stock markets. This, in turn, will pressure the Canadian dollar downward, given its already weakening status against leading global currencies like the Euro, Yen, etc.

But Wait, There's More

A recovering USD is not the only factor to affect Canada's currency. Fitch Ratings is showing concern over Canada's balance sheet and credit rating, citing the incoming Liberal government's 4-year plan to raise Canadian debt by over 20%[3]. The spending plans, according to Fitch, "will exasperate an already expanding deficit". Fitch's warning should be heeded. It adds fuel to the probability of a lower CAD/USD over the mid-long term. The last Liberal government's spending pushed Canadian debt from $600 BB in 2014 to $1.2 T by 2024. The IMF's database of the world's 40 largest economies shows that Canada's debt burden and government spending outpaced every advanced country in the world between 2014 and 2024. With a recession in plain sight, Canada's growing debt will only exasperate economic and dollar weakness. But don't worry, I've got your back on this!

ValueTrend's 3-Part Strategy

Above, I presented an argument for technical strength in the TSX 300 Index when compared to its U.S. counterpart, the S&P 500. Those roles can, and likely will, change as tariff negotiations come to a head. As such, ValueTrend has a potential 3-part roadmap to migrate these changes.

1. Near-term: Favor TSX stocks / CAD

We project a near-term outperformance on the TSX and a possible rally by the loonie to $0.74 to $0.76. Currently, ValueTrend is overweighting Canadian stocks and currency.

2. Mid-term (second half 2025, early 2026), increase USD's & Stocks:

As tariff fears dissipate, we anticipate a rally on U.S. stock markets, and the USD. In turn, we expect a weakening CAD, although we expect the TSX itself will continue to perform well. ValueTrend anticipates buying more USD and U.S. securities in the later part of 2025.

3. Focus:

ValueTrend is focused on favoured sectors on the respective markets as these relative strength rotations between currencies and markets occur. Follow our blogs at www.valuetrend.ca for ongoing timely market commentary.

Keith Richards is Chief Portfolio Manager & President of ValueTrend Wealth Mgmt. He can be contacted at info@valuetrend.ca.

Keith Richards may hold positions in the securities mentioned. The information provided is general in nature and does not represent investment advice. It is subject to change without notice and is based on the perspectives and opinions of the writer only. It may also contain projections or other "forward-looking statements". There is significant risk that forward-looking statements will not prove to be accurate and actual results, performance, or achievements could differ materially from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements and you will not unduly rely on such forward-looking statements. Every effort has been made to compile this material from reliable sources; however, no warranty can be made as to its accuracy or completeness. Before acting on any of the above, please consult an appropriate professional regarding your particular circumstances.

1 https://www.valuetrend.ca/6-reasons-the-tsx-could-outperform-the-sp-500-in-2025/

2 FAANG stocks refer to Meta (Facebook), Amazon; Apple; Netflix, and Alphabet (formerly known as Google)

3 https://www.fitchratings.com/research/sovereigns/spending-promises-may-compound-canadas-fiscal-challenges-29-04-2025

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75	$8,067	$1,066
80	$9,212	$1,099

2. Female Single Life Prescribed Annuity ages 65, 70, 75 and 80.

Female age at purchase	Annual income	Annual Taxable Amount
65	$6,096	$1,676
70	$6,759	$1,434
75	$7,543	$1,070
80	$8,677	$926

3. Joint Life Prescribed Annuity Male/Female ages 65, 70, 75 and 80.

Joint age at purchase	Annual income	Annual Taxable Amount
65	$5,681	$1,862
70	$6,200	$1,613
75	$6,909	$1,296
80	$8,045	$1,152

Annuity income values were obtained from highly rated Canadian insurers and are for illustration purposes only.

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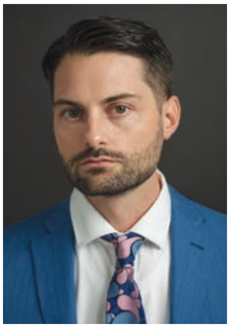


The Anatomy Of A Big Winner: How To Hold A Big Winner

Ryan Modesto

For prior parts of the "Big Winner Series", we discussed common mistakes to avoid when looking for big winners and then the primary factors that make up a potential big winner. As mentioned in the previous articles, finding big winners is not easy, and the hardest part is the act of holding on to them long enough to let them become a big winner in your portfolio. In this article, we are going to look at methods to help an investor hold onto a big winner once they have found one.

Comfort With Uncertainty And Volatility

When dealing with individual stocks, volatility is the price of admission for getting outsized returns over time. However, in the case of big winners, an investor needs to understand volatility will be something you will come across. When dealing with these types of stocks, especially if they are earlier in their "story", there will be some level of unknowns and certain things that simply cannot, or will not, be known at the time.

With more uncertainty comes more volatility but this also means there is more potential for outsized returns for a patient investor that can take advantage of what might be irrational short-term moves. Sometimes a stock will simply see a big drawdown because of issues totally unrelated to the company itself. It might be a shift in sentiment, a broad market pullback or something else entirely out of the company's control. The point is, there will be times of volatility that an investor needs to understand will happen and be able to sit on their hands (or buy more) when the volatility occurs. It won't matter how well you know the company, how right (or wrong) you are, or how wrong the market is, volatility and times of uncertainty are a feature, not a bug, for general investing as well as for big winners.

Patience And Knowing What You Own

Once you have accepted the fact that volatility will happen at some point through the lifetime of an investment, you can look at two aspects that help to deal with that volatility—having some patience and knowing what you own and why you own it. These two aspects tie into each other, because knowing what you own and why you own it helps you to see the forest through the trees and helps with patience. You should have a good idea of the opportunity set that the company faces when you find a potential big winner. Understanding the fundamentals of the company, what they do, and how they do it, as well as who their competitors are can go a long way to understanding what you own.

Owning companies with strong balance sheets can also help add comfort with what you own and allow you to think longer-term. Strong balance sheets give a company some options and allow it to weather any storm that may, and will, come its way. This added flexibility or cushion also allows the investor to be a bit more confident through the tough times, knowing that they have a strong enough balance sheet to get through the bad times. Strong balance sheets also help to reduce the risks of surprises such as a company having to do layoffs, requiring financing because funds are getting tighter, or its inability to respond to competitive threats that may arise.

Investing in general is something that requires patience. 'Rome was not built in a day' and a ship does not turn on a dime. Things take time, building a business is hard and hiccups or speed bumps are bound to happen along the way. In a market that increasingly seems to focus on single quarterly numbers, being patient and thinking long-term seems to increasingly be a superpower.

One thing to keep in mind, however, is not to be complacent. Knowing what you own and patience are not an excuse for turning a blind eye when management is not executing or for ignoring an investment thesis that is starting to change. The line to walk between allowing some room for error at a company and when something has fundamentally changed is a tough line to draw but one that needs to be monitored.

Thoughtful Sizing

Thoughtful sizing is something that needs to be considered before an investor decides to buy a stock and is one of the most critical decisions about holding onto a big winner. At what weight do you want to own the stock initially? At what weight would you consider is a full position? Of course, the optimal decision can only be known in hindsight, but generally, we tend to prefer approaching weightings with an equal weight approach. This means that all companies in a portfolio have an opportunity to generate returns, as opposed to adding hurdles where weights are tilted more toward "high conviction" investments that don't give the other stocks as much of an opportunity to participate in portfolio growth. With that said, we think a bit of a different approach can be taken with "big winner" potential investments.

Typically, these types of stocks are earlier in their growth runway. This means two things: Uncertainty is higher, and they have plenty of time to grow to their full potential. Given this, we think that weightings should start on the smaller side of a portfolio. This gives a nod to the higher risks inherent, and the potential your timing will likely be far from perfect. Starting small gives the company some time to earn a bigger position in the portfolio by growing organically.

Meanwhile, if the inevitable drawdown for the stock in question occurs early, the position won't be so big that an investor gets "scared out of it" and does the wrong thing at the wrong time (due to it being positioned too large). If this scenario occurs, it allows an investor to add to the holding at better prices, since the weight was smaller to begin with. Alternatively, if it were a full position, even if an investor was able to continue to hold, they would be far less likely to add to the stock at more attractive prices.

To sum up, starting with a smaller position sizing with a big winner gives an investor some options. If the thesis is correct, it probably works out fine regardless and there will be plenty of time to add to an already growing position. If they are "wrong" in the short term, a smaller weighting offers an opportunity to add to the holding at better prices. If they misjudged the stock completely, the loss will be manageable in the context of a diversified portfolio.

Adding To Winners

The final key to big winners is adding to those winners. This is related to position sizing because in order to add to a big winner, the position needs to start small enough that you have space to add to it without making it too large of a position in a portfolio. In a perfect world, you would know ahead of time with certainty that a company was going to be a big winner, but this is not how the world of investing works.

We prefer adding to stocks that are winning (momentum) because it is confirmation that good things are happening. Maybe the company pays down debt, has a few earnings reports that confirm the business trajectory, or sees some sort of event that de-risks things materially. These events are opportunities to add to a winner because it is confirmation that the thesis is working and fundamentals are moving in the right direction, while the risks to the investment are also decreasing. Lower risks mean that holding the stock at a higher weighting is more justified, as uncertainty is decreasing and volatility is declining. Remembering that the company is still likely early in their lifecycle, adding holdings at higher prices should still mean that the company has plenty of potential to grow from those new, higher levels.

Adding to winners is not easy to do—you are supposed to buy low and sell high after all! In these instances, buying low, buying a bit higher, and a bit higher again, then selling when it is very high, can work out just fine. In these types of scenarios, an investor is likely to quickly come across the issue of the holding now getting too large and the decision of trimming for risk management will quickly come to the forefront. A good problem to have in our view!

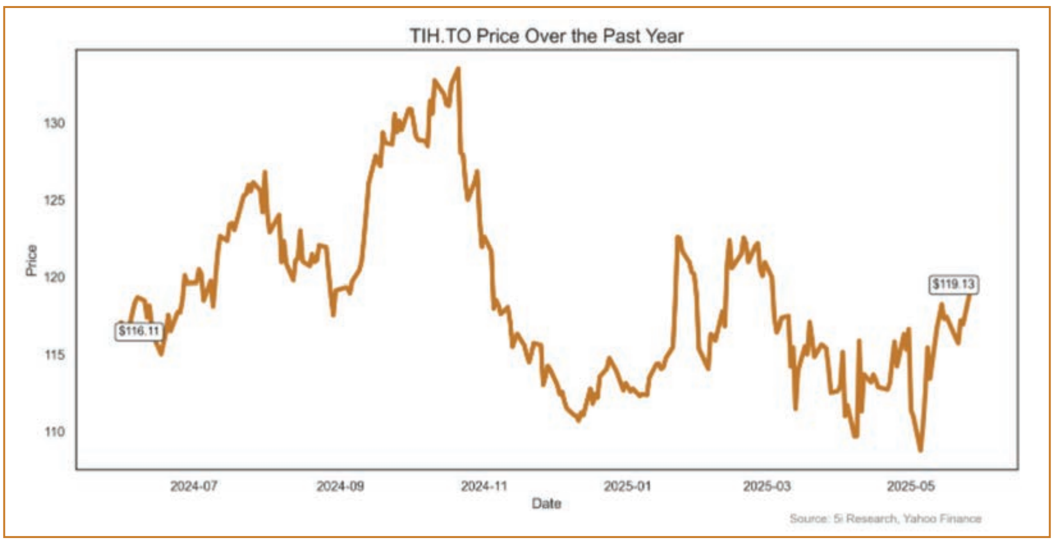
While this is the last in the "Big Winner" series, it is certainly not the least. Holding on to winners is the most important part of investing, and relates to the biggest mistake we see investors make, which is selling too early. These big winners don't always come, and not every opportunity will turn out as expected, but if searched for in a prudent manner, they can make a big difference. So, the next time you find a big winner, hold on, because they can be life-changing!

Ryan Modesto, CFA - CEO, i2i Capital Management

Toromont: A Heavyweight Worth Hauling In?

Michael Hunyh

Maybe the stock market isn't the first thing on your mind as you soak up the sun this summer, but that doesn't mean opportunities aren't out there. If you're looking for something solid and steady with a history of performance, Toromont Industries Ltd. (TIH) might be worth a closer look. Known for its dominance in heavy equipment and industrial solutions, especially as a leading Caterpillar heavy equipment dealer in Canada, TIH combines operational resilience with long-term growth potential. Read on to learn more:



Overview:

- Stock: Toromont Industries (TIH)
- Sector and Industry: Industrials – Specialized Equipment Rental
- Stock Price: $120.2 (as of May 29, 2025)
- Market Cap: $9.77 billion
- Dividend Yield: 1.7%
- 52-Week High: $134.88

Business Overview

TIH is one of the leaders in providing specialized equipment rental services in Canada. The company has an exclusive partnership with Caterpillar, which helped TIH maintain a favourable market share in some of the key regions in Canada over the years, including Ontario and Quebec. TIH competes with international and national distributors of similar specialized equipment with industry-leading market share.

TIH's specialized types of equipment are widely used in a variety of industries, including residential and commercial construction, mining, road building and other infrastructure-related activities. The company also served the industrial market by designing and installing refrigeration systems under the brand CIMCO, which was a successful acquisition for TIH a few years ago.

TIH's share price has been under pressure recently due to the expected cyclical industry downturn, which negatively affected the company's profitability for some quarters. However, over the long term, TIH has possessed a superior track record of creating shareholder value with a 55-year dividend record and 34 years of consecutive dividend growth.

In addition, over the last 30 years, through multiple economic recessions, industry cyclical downturns and the pandemic, TIH has been one of the best-performing stocks in the Canadian market. TIH managed to compound shareholder capital at around 17% per year on average (dividend included).

Growth Story

Despite operating in a tough competitive landscape which depends on a variety of factors, including distribution capabilities, range and quality of products, and reputation of the distributors, the company maintained a stable market share over the years, along with a strong sense of creating shareholder value through profitable organic growth.

Here are the company's initiatives to allocate capital and drive organic growth over time:

1. Strengthen Product Support: Target a more balanced revenue mix with a focus on product support (currently 43%) such as driving after-market strategies and delivering customer solutions. This can offset some of the cyclicality from equipment delivery due to the recurring nature of the service offering.

2. Broaden product offering: deliver specialized capital equipment to a diverse range of customers and industries and expand customer base by increasing the product lines and capabilities.

3. Maintain a strong financial position with healthy liquidity and solid return on capital invested over the business cycle.

4. Offer a progressive dividend policy along with an opportunistic approach to share buyback.

5. Focus mainly on driving organic revenue growth while occasionally opportunistically making large-size acquisitions.

Financial Snapshot

TIH operates in a cyclical industry, as demand for its products is sensitive to the macro environment and economic activities. However, in recent years, TIH's management has stabilized the company's revenue by growing other streams of recurring revenue, such as service, spare parts and support.

For the most recent fiscal year ended 31 December 2024, the company mainly generated revenue through three key services, including

- Equipment sales/rental (59.1%)
- Product support services, including the sale of parts and performance of service work on equipment (40.7%)
- Power generation (0.2%)

TIH possesses a large diversified customer base by geography and industry without any significant concentration of revenue with any individual customer. In terms of operating divisions, TIH has two main segments: The Equipment Group focuses on the construction and infrastructure-related market, while CIMCO serves customers in industrial sectors through services like engineering, installation and production support for refrigeration systems. The company generated 90.8% of total revenues from the Equipment Group and 9.2% from the CIMCO segment.

Geographically, TIH has a main presence in North America, most sales came from Canada at 97%, and 3% from the U.S. The company completed the acquisition of Tri-City Equipment Rentals for a total of $77.5 million, a leader in heavy equipment rentals with operations in Southwestern Ontario. The acquisition is expected to expand the company's heavy equipment rental business through additional market presence and new customers.

Profitability And Efficiency

For the most recent quarter ended 31 March 2025, the company reported total revenues of $1.089 billion, a year-over-year increase of 7.0% from $1.016 billion, mostly driven by decent sales growth across two operating segments of Equipment Group and CIMCO, which grew by 7% and 9%, respectively. Operating income declined by 8% to $98.5 million from $106.6 million in the same period last year due to lower gross margins and slightly higher expenses. Operating margin was 9.0% compared to 10.5% in 1-2024.

TIH's return on equity (ROE) declined to 18.5% on a trailing twelve-month basis, which was a drop from the previous year of around 22%, indicating room for improvement here, given that the company is currently in a cyclical downturn and in the process of integrating a large acquisition.

Despite a difficult operating environment, TIH possesses a strong culture of operational efficiency. Revenue per employee grew from $548 thousand in 2020 to around $698 thousand in 2024, which indicates a solid culture of disciplined cost control.

Management's financial objective is to achieve consistent double-digit growth in earnings per share (EPS) and, at the same time, maintain at least an 18% return on equity (ROE) over the business cycle. TIH has consistently done well under those metrics.

Valuations

TIH is perceived as a high-quality industrial name due to its great track record of operational efficiency and value creation. TIH has mostly traded at a premium relative to its peers. TIH is currently trading at a meaningful premium of Forward P/E of 20.1x, compared to its direct competitors in the international market, such as Finning International (FTT), which only trades at 12x. However, TIH's premium valuation makes sense given its superior operating metrics including organic growth and return on equity.

Compared to historical averages, TIH's valuation is on par with its valuation multiples over the last ten years. Long-term investors in TIH could do quite well with expected annualized total returns (dividend included) in the range of 12%-15% in a low-risk manner.

Risks To Consider

TIH faces an inherent risk of cyclicality in the demand for its products and services, which are sensitive to the macro environment and economic activities. For instance, the company currently faces a headwind in terms of booking growth and profitability due to the industry's cyclical downturn. Management is trying to address this by focusing on growing more recurring revenue sources, such as product support services. Secondly, the company pursues growth through a combination of acquisitions and capital investment, which raises the risks of both overpaying for deals and high operational leverage. Given the cyclicality of the business, the high operating leverage could negatively impact its profitability in the downturn when sales decline. Lastly, the company is dependent on the exclusive relationship between the company and Caterpillar. A deterioration in the acceptance of Caterpillar products and the partnership between the two companies could seriously affect TIH's prospects. However, TIH is one of the world's largest dealerships of Caterpillar by revenue and geographic territory, so it is unlikely that both parties would do something that could damage the relationship between the two.

Bottom Line

The recent industry downturn has lasted longer than expected, and has put pressure on the company's margin and return on equity. It is understandable, given the cyclicality of the business, that earnings would be sensitive to economic activities. In addition, TIH possesses a solid track record of value creation through acquisitions and is in the process of integrating the newest acquisition. We think the recent fluctuation in operating results is normal, and we do not see any meaningful change in the company's fundamentals yet. TIH continues to be a high-quality industrial name with a shareholder-friendly policy through a combination of progressive dividend history and occasional share buyback. TIH managed to compound shareholder capital at around 17% per year on average (dividend included) over the last 30 years, which indicates the longevity and sustainability of the business model. TIH is trading at a fair valuation, which should do well in the next industry cyclical upturn.

Learn More

5i Research provides easy-to-understand research reports on over 50 Canadian growth and dividend stocks, including TIH. For more, or to try 5i Research for free, visit www.5iresearch.ca.

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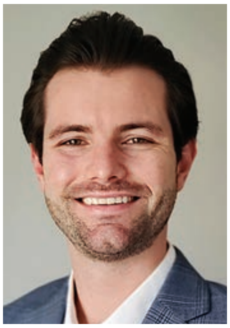


What It Takes To Be Above Average: Uncovering The Traits Of Long-Term Winners

Chris White

What Makes A High-Quality, Long-Term, Winning Stock?

In the financial markets, what first appears obvious can prove to be misleading upon closer examination. Many investors have a rough idea of the qualities that strong stocks might exhibit, but the factors that make up a high-quality stock might surprise most investors.

There are certain stocks in the market that seemingly just "work" year after year. These are stocks that typically exhibit a long-term uptrend, and their pullbacks are frequently bought up. Some of our favourites in the Canadian markets include Constellation Software (CSU) and Brookfield Corp (BN); these are companies where previous declines have been buying opportunities, and they are not only industry leaders, but broad market leaders. Here we want to explore the common traits and characteristics of Canadian stocks that have either a high 10-year historical return or a relatively low 10-year historical return.

Common Characteristics Of A Long-Term Winner

Our method for identifying the common traits of a long-term winner includes screening all Canadian stocks with a market cap greater than $250 million and looking at the average metrics of those stocks.

In Figure 1, the total number of Canadian stocks that have grown their share price at an annualized rate of 3% to 9% over the past 10 years is 103, they have an average annualized five-year revenue growth rate of 12%, an average forward price/earnings (P/E) of 21X, an average dividend yield of 4%, an average free cash flow yield of 11%, among other metrics. These are low-return stocks for our purposes.

In contrast, there are a total of 88 Canadian stocks that have compounded their share price at a 12% to 24% annualized rate over the past 10 years. These companies have an average five-year revenue compounded annualized growth rate (CAGR) of 14%, an average forward P/E of 23X, an average dividend yield of 2%, and an average free cash flow yield of 7%, among other factors. These are the high return stocks.

Key Metric	3% to 9% 10-Year CAGR	12% to 24% 10-Year CAGR
# of Stocks	103	88
Avg. Volatility	35	41
Avg. 5-Year Revenue CAGR	12%	14%
Avg. 5-Year Earnings CAGR	4%	9%
Avg. Forward P/E	21X	23X
Avg. Net Debt/EBITDA	3.9X	2.5X
Avg. Dividend Yield	4%	2%
Avg. Free Cash Flow Yield	11%	7%

Figure 1 *Source: 5i Research, Koyfin*

Without doing a deep dive into the numbers, the overarching themes that we observe between historically low-return and high-return stocks include:

- Stocks that have appreciated at a faster rate (referred to here as high CAGR stocks) historically have higher levels of volatility
- High CAGR stocks tend to exhibit both higher sales and earnings growth rates
- High CAGR stocks are generally expensive—they have high valuations
- High CAGR stocks typically have low dividend yields

- High CAGR stocks typically have relatively low free cash flow yields

The stocks that have seen high share price appreciation over the past 10 years are generally expensive, do not have high dividend yields, are volatile, and grow their sales and earnings fast.

For many investors, these qualities may seem counterintuitive to what an investor might be looking for in their portfolio. Naturally, most investors look for stocks that have low volatility, are trading at cheap valuations, and have high dividend yields, but our research shows that these stocks on average can exhibit "value-trap" characteristics.

For investors who are looking for an "above-average" stock that can compound its share price at a high-rate year-over-year, these generally trade at expensive valuations, do not pay a high dividend yield, and are relatively more volatile.

Setting Up A Screener For Canadian Stocks

Now that we have the fundamental basis of what the average high-quality, high rate of return, winning stock looks like, we have decided to screen for some of those characteristics (high revenue growth, high valuation, low dividend, etc.) to see what stocks appear. Out of curiosity, we also screened for the criteria that make up the low rate-of-return stocks (high dividend and free cash flow yields, lower valuations, moderate sales growth, etc.). The screen criteria that we used can be seen in Figure 2.

In Figure 3 on the next page, we have outlined the results from those two screeners and compared some key metrics between the two cohorts. We found that the Canadian stocks that exhibited high-quality, winning stock characteristics often had better margin profiles on average, were closer to their 52-week highs (meaning momentum and price movement are better), and were also stocks with high sales growth rates and high valuations.

On the other hand, the screener for stocks with characteristics of "losing" names—those which on average have compounded between 3% to 9% over the past 10 years—indicates names with low sales growth, mostly weak profit margins, names that are further from their 52-week highs, and names that appear "cheap" on a valuation basis. These might be decent companies in general, particularly depending on the market environment, but as we can see, their 10-year annualized returns have been weaker than the 12% to 24% list of names.

We want to draw readers' attention to the red outlined boxes for each list of names. We can see the strong 10-year annualized return rates for the 12% to 24% group, as well as their premium valuations. Conversely, the 3% to 9% group has relatively low 10-year return CAGRs and cheap valuations.

Distinguishing Value Traps From High Performers

Almost all investors want to increase their annual return rates, but of course, this comes at a cost. It is important for investors to understand both the opportunity cost of not earning a higher return on their portfolios, as well as the key characteristics of stocks that typically earn higher returns. The allure of compounding at 12%+ versus 3% may sound nice, but as we demonstrated, this often comes at the expense of fewer dividends, expensive valuations, and higher volatility. If these are qualities that an investor can forego, then seeking out names from the 12% to 24% list can be beneficial. However, if an investor is uncomfortable with earning fewer dividends and paying more for a stock, then seeking the 3% to 9% group of names may be worth it.

12% to 24% 10Y CAGR Screen	3% to 9% 10Y CAGR Screen
- **Market Cap:** Min. $250M	- **Market Cap:** Min. $250M
- **5Y Revenue CAGR:** Min. 0%	- **5Y Revenue CAGR:** Min. 0%
- **Forward P/E:** Min. 23X	- **Free Cash Flow Yield:** Min. 11%
- **Dividend Yield:** Max. 2%	- **Forward P/E:** Max. 21X
- **5Y Earnings CAGR:** Min. 0%	- **Dividend Yield:** Min. 4.0%
	- **5Y Earnings CAGR:** Min. 0%

Figure 2

We feel it makes a lot of logical sense that the winning names over the past 10 years have high valuations, and high sales growth rates, are trading near their 52-week highs, and have better margin profiles. When screening for a high-quality stock, intuitively

12% to 24% 10-Year CAGR

Ticker	Name	Market Cap	Total Return 10Y CAGR	5Y Revenue CAGR	Free Cash Flow Yield	Dividend Yield	Forward P/E
TRI	Thomson Reuters Corporat	$120.7B	21%	4%	2%	1%	50X
L	Loblaw Companies Limited	$68.8B	18%	5%	6%	1%	24X
WPM	Wheaton Precious Metals C	$53.5B	19%	10%	2%	1%	38X
DOL	Dollarama Inc.	$48.4B	23%	11%	3%	0%	39X
FNV	Franco-Nevada Corporatio	$44.2B	15%	6%	1%	1%	36X
WSP	WSP Global Inc.	$36.4B	23%	14%	4%	1%	29X
CCO	Cameco Corporation	$34.4B	17%	11%	2%	0%	51X
STN	Stantec Inc.	$16.0B	17%	10%	3%	1%	26X
X	TMX Group Limited	$15.3B	21%	13%	4%	1%	28X
BYD	Boyd Group Services Inc.	$4.3B	15%	13%	7%	0%	49X
TCS	Tecsys Inc.	$0.6B	18%	12%	2%	1%	62X

3% to 9% 10-Year CAGR

Ticker	Name	Market Cap	Total Return 10Y CAGR	5Y Revenue CAGR	Free Cash Flow Yield	Dividend Yield	Forward P/E
BNS	The Bank of Nova Scotia	$91.1B	7%	1%	14%	6%	10X
SU	Suncor Energy Inc.	$59.4B	7%	7%	14%	5%	13X
CHPUN	Choice Properties Real Est	$10.8B	9%	2%	14%	5%	18X
NPI	Northland Power Inc.	$5.3B	7%	4%	14%	6%	13X
CRTUN	CT Real Estate Investment	$3.7B	8%	3%	11%	6%	13X
CCA	Cogeco Communications Ir	$2.9B	4%	5%	16%	5%	9X
PXT	Parex Resources Inc.	$1.3B	5%	2%	23%	11%	5X
CGO	Cogeco Inc.	$0.6B	6%	5%	74%	6%	7X
AI	Atrium Mortgage Investmer	$0.5B	8%	4%	12%	10%	12X
WJX	Wajax Corporation	$0.5B	5%	7%	19%	6%	9X
BTBUN	BTB Real Estate Investmer	$0.3B	6%	7%	21%	8%	10X
PIF	Polaris Renewable Energy	$0.3B	4%	1%	20%	5%	19X

Source: 5i Research, Koyfin

Figure 3

it might make sense for investors to want to screen for the best qualities—the highest dividend yield, the highest free cash flow yield, a low and reasonable valuation, low volatility, etc. What we have uncovered is that, in fact, some of the best-performing names over the past 10 years on average have low dividend yields, high volatility, high valuations, and relatively low free cash flow yields. So, when looking for high-quality, winning stocks, we believe that paying a premium valuation, with high sales growth rates and lower dividend yields can be worthwhile in the long run.

Chris White, CFA, Head of Research for 5i Research Inc.

Why "Buy Low And Sell High"

May Not Be The Best Investment Strategy

Julie A. Petrera, MBA, CFP, CIM, FCSI

We've all heard that successful investing happens when you "buy low and sell high", but I encourage you to challenge that approach and implement an alternate investment strategy. Here's why:

The Problems With Buy Low And Sell High

There are several issues with trying to buy low and sell high, the operative word being "trying". First, we don't know when investments are at their lowest, nor do we know when they are at their peak. This leaves you having to bet on lows and highs. Not only could this approach be stressful and time-consuming, but there is a risk that you may be wrong.

Even if you are right, and you buy stocks at their lowest lows and sell them at their highest highs, this strategy would require you to hold cash while you wait for stocks to go low. Holding cash has an opportunity cost because you can't be fully invested while you wait on the sidelines for stocks to go low enough to buy them. Holding cash instead of being invested results in missed income or dividends you would otherwise have earned if that cash was invested.

Further, if you do successfully sell investments when they are high, after you've sold them, you're left with uninvested cash, and the opportunity cost of holding that cash while you wait for another low. Buying low and selling high requires you to try to time the market. And I would suggest that time in the market will lead to greater success than timing the market.

Time In The Market

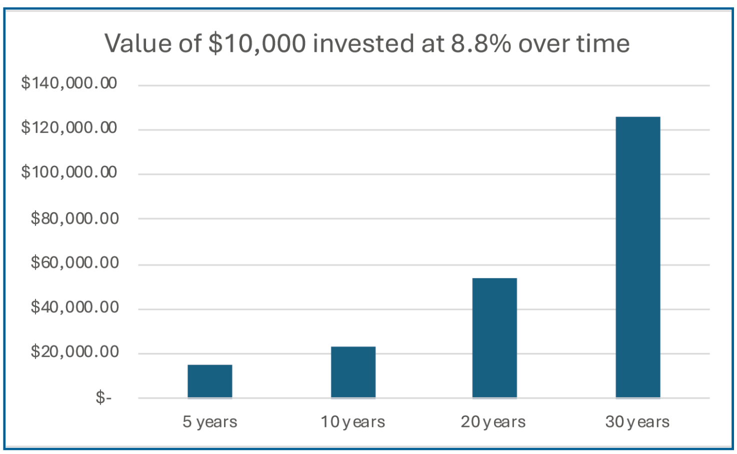
The value of an investment after a certain amount of time in the market is easy to calculate, with some assumptions:

- The present value of your investment, or cash you would invest now (known)
- The rate of return you'll earn (which you have to assume)
- The time it will be invested.

You may have seen this expressed as $FV=PV(1+i)n$.

Knowing how much cash you have to invest today, and assuming you invest it all, you can estimate how much you'll have in the future if you accurately assume the rate of return. (While past rates of return do not guarantee future results, you can consider them to estimate the rate of return for this calculation). In this scenario, your present value and timeframe are known, meaning you're only estimating the rate of return or one of three inputs.

Visually, here is the value of $10,000 (today's investment) invested at an assumed 8.8% return over various timeframes between five and 30 years.

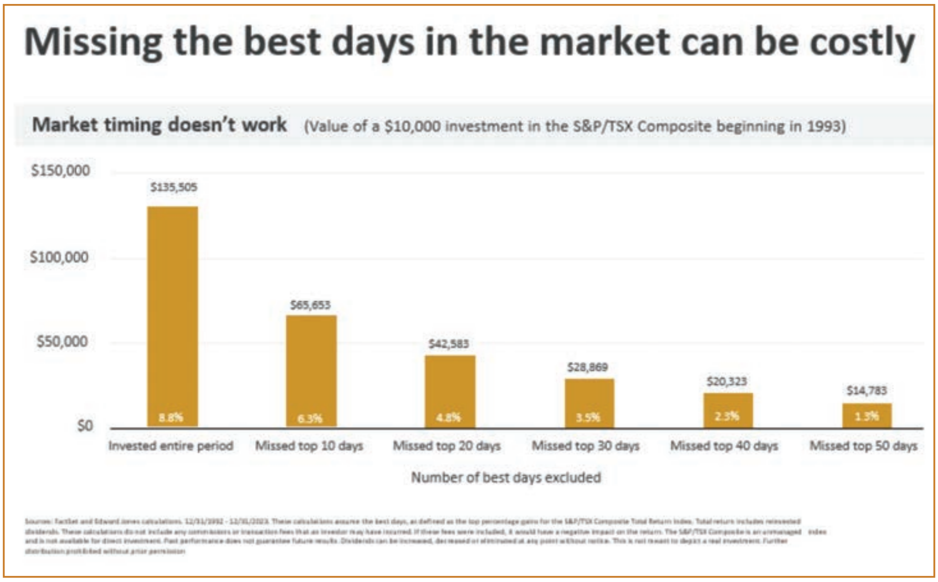


Timing The Market

Timing the market, on the other hand, requires you to make more assumptions, as you have to assume both the rate of return, and also the time in the market. This is because the time spent waiting for investments to go low enough to buy does not count as time in the market. Therefore, you're forfeiting the known variable of time in the market in the hopes that the rate of return will increase.

The risk is that you miss the best days in the market, which can be costly.

The chart below illustrates the value of being fully invested (on the left, with an average annual return of 8.8%), and the impact on the same investment, had you missed out on the best days in the market. The more of the best days you miss out on, the greater the impact on your overall investment return.



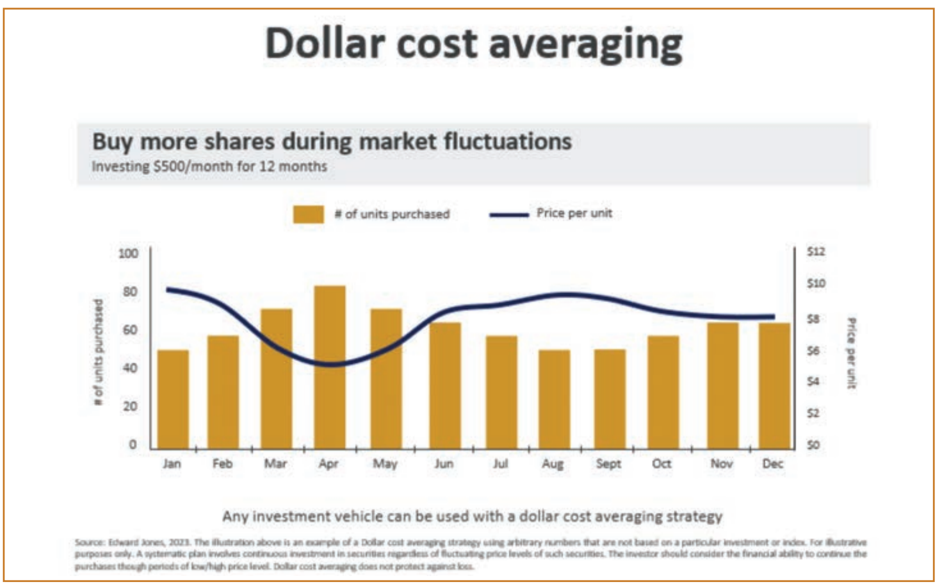
Over this 30-year period, missing only the best 20 days in the market could have cost you over $90,000 in gains, or half of your potential returns.

An Alternate Approach

Start with why. Consider your goal(s) and the reason you're investing, whether it's retirement, sending a child to post-secondary school, a vacation, or a new home. Determine the cost of the goal and then figure out how much you'll need to invest now (your present value), or at what cadence and at what rate of return to meet that goal.

We can use the present value formula above and turn it into a future value formula: FV=PV*(1+r) n., which uses the same inputs as the Present Value calculation but works backwards. Working backwards will help you determine how much to invest now to get where you need to be when you want to be there.

Then, put your investments on autopilot. Automatic investing results in you buying investments when they are both low and high, known as dollar-cost averaging. You invest the same dollar amount, which results in you buying more shares of an investment when the cost is low, and fewer when the cost is high. It looks something like the chart below, "Dollar Cost Averaging".



This approach focuses on what you can control: the amount you're investing and the time it will be invested. It takes the emotions and waiting on the sidelines out of investing and saves time and transaction costs. It will ensure you don't miss the best days in the market, and that you fully participate in income and dividends. But most importantly, it's a plan to help you focus on why you're investing rather than just the fact that you're investing and allows time in the markets to work in your favour.

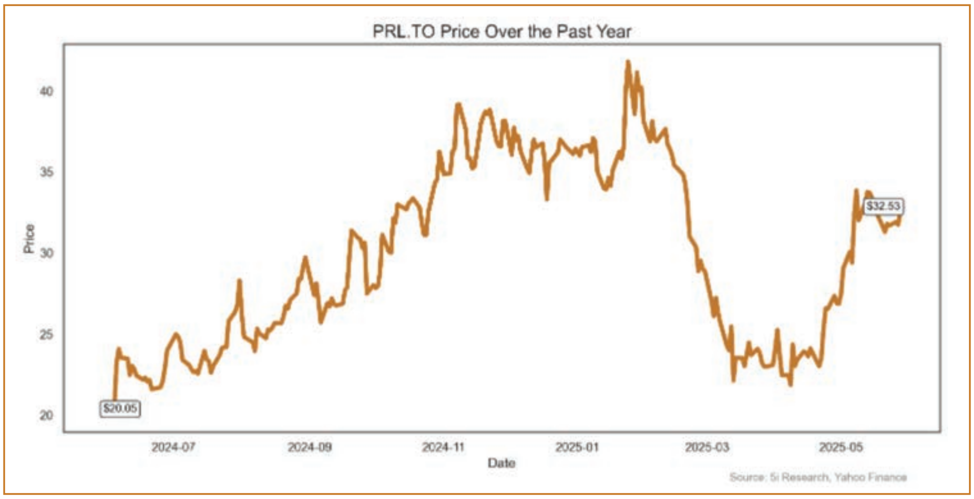
Julie Petrera, MBA, CFP, CIM is a certified financial planner.

X: @petrerajulie

Docked Or Destined To Soar: A Look At Propel Holdings (PRL)

Chris White

While you're sitting on the dock, lounging in your garden, or just taking a well-earned break from the daily grind, your mind might wander to your portfolio, and whether it's time to welcome a new name aboard. One company that's been making quiet waves in the financial sector is Propel Holdings. With a focus on alternative lending and a growing digital presence, Propel has caught the attention of investors looking for an innovative company with a side of growth potential. Let's dive in and take a closer look:



Overview:

- **Stock:** Propel Holdings (PRL)
- **Sector and Industry:** Financials - Consumer Finance
- **Stock Price:** $31.81 (as of 29 May 2025)
- **Market Cap:** $1.26 billion
- **Dividend Yield:** 2.2%
- **52-Week High:** $43.36.

Business Overview

Propel Holdings (PRL) is a Canadian fintech company that helps people in the U.S., Canada, and the U.K. access loans. It caters particularly to those that have trouble getting loans from traditional banks. It operates under three brands: MoneyKey and CreditFresh in the U.S., QuidMarket in the U.K., and Fora in Canada. PRL uses its technology and AI tools to assess borrowers in a different way than traditional credit scores. This helps more people qualify for loans who might otherwise be overlooked. PRL has served over 1 million consumers, has over 19 million applications per year, 3 operations centres, and is 100% online. Its operations fit neatly in between traditional lenders that can be inaccessible to certain consumers and offer higher quality loans than higher APR alternatives like payday loans and lease-to-own institutions.

Growth Story

PRL facilitates access to loans through two credit products: instalment loans and lines of credit. PRL generates sales through interest and fees on the consumer loans it facilitates. It does not hold the loans on its books, but instead, banks or credit funds that it partners with fund the loans to the borrower, and PRL earns the fees and a cut of the net interest spread. A few key ways that

PRL earns sales include: loan finance fees and the net interest spread on installment loans and lines of credit, loan servicing and ancillary fees, and data services where PRL licenses part of its AI credit-scoring platform to its partners.

The underlying secular trend of consumers seeking digital lending is poised to help drive growth for PRL, as well as its continued focus on expanding its geographic presence across new states, provinces, and countries. As an example of PRLs dedication to growing geographically, in late 2024, PRL acquired QuidMarket for USD$71 million, a fast-growing consumer lender in the U.K. PRL aims to grow by also serving lower-risk markets, and instead of only serving subprime or high-risk consumers, it is now trying to target lower-risk or near-prime borrowers. PRL also offers graduation programs for its existing customers, where they can graduate to lower rates and higher loan amounts as their creditworthiness improves with PRL.

Financial Snapshot

In its most recent quarterly earnings for Q1 2025, PRL reported earnings per share (EPS) of $0.58, missing estimates of $0.59 and sales of $138.9 million which beat estimates of $137.2 million. Revenues grew by 44% from the prior year, and its loans rose by 40%. Its QuidMarket segment, the U.K.-based lender, performed better than expected, supported by a positive macro backdrop in the U.K. PRL continues to demonstrate profitable growth, particularly during what is usually a slow quarter for the company. Under the surface, PRL continues to see strong demand from consumers as individuals are left out of the traditional lending markets and turn to platforms like Propel. A general tightening of loan underwriting conditions from traditional lenders is benefiting PRL, and its consumers are proving resilient, with a reduction in its provision for loan losses from 44% in the prior year to 42% in the recent quarter. Top-line growth, operating leverage, effective cost management, and lower loss provisions helped to grow its net profits year-over-year, and its net profit margin increased to 17% for the quarter.

Profitability and Efficiency

PRL has demonstrated strong operating leverage and efficiency as its profit margins have expanded nicely over the years. Over the past 12 months, PRL saw a 42% year-over-year growth rate in its sales, but earnings grew more than 50%, demonstrating strong operating leverage.

In Figure 1, we demonstrate how PRL's profit margins are at both the high end of its 10-year historical averages, and as compared to Canadian financial stocks. For example, its earnings before interest, taxes, depreciation, and amortization (EBITDA) margin of 22.6% is quite high relative to its 10-year historical average, and its return on equity (ROE) of 32.93% is just above average for its long-term average, but higher than most Canadian financial stocks.

In Figure 2 on the next page, we showcase how PRL's profit margins have been expanding nicely since mid-2022. In the top pane, we show its EBITDA and earnings before interest and taxes (EBIT) margins, rising in tandem, and its net income margin showing good acceleration in its recent quarter.

Valuation

PRL trades at a relatively cheap valuation compared to its peers, which include Goeasy (GSY) and OppFi (OPFI). On a forward price/earnings (P/E) basis, PRL trades at 8.9X, a roughly 6% discount to the average of its peers, and a 1.3X forward sales multiple, a premium to OPFI, but in line with GSY. Compared to its historical averages, PRL trades at a 29% discount to its long-term P/E average, and at a slight premium relative to its historical average sales multiple.

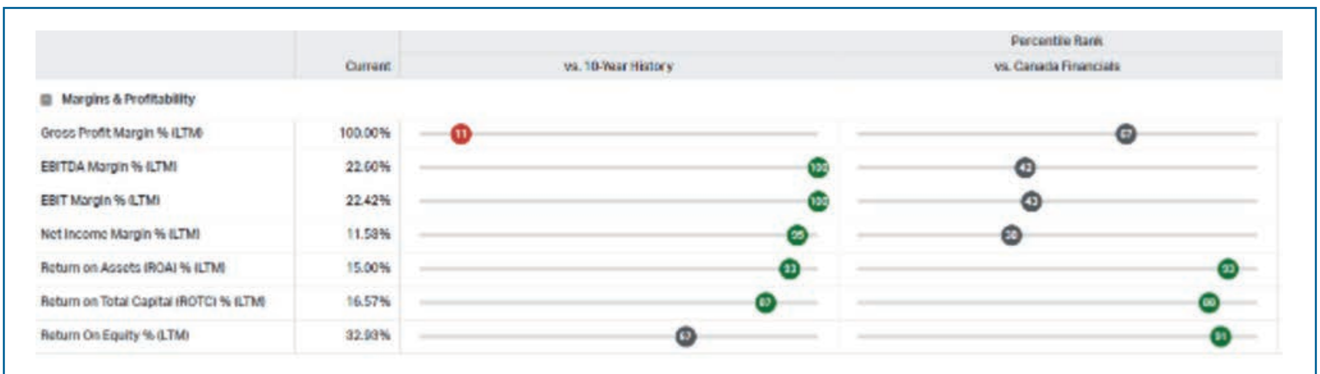


Figure 1 *Source: Koyfin*

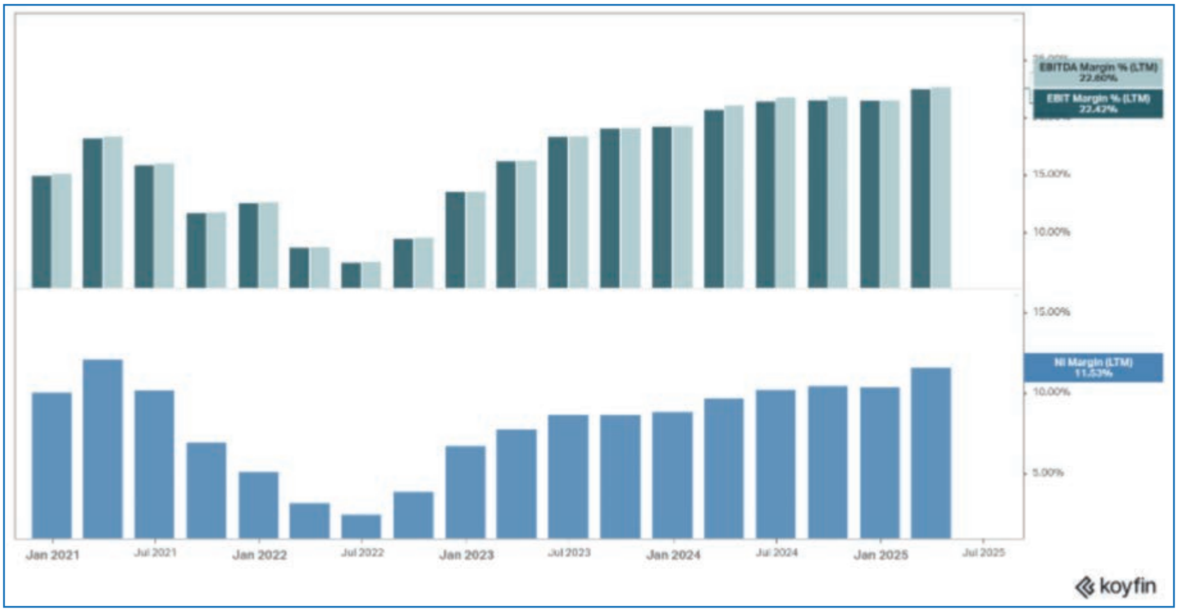


Figure 2 *Source: Koyfin*

The company's recently added service, Lending-as-a-Service, is a capital-light and high-margin revenue stream that management believes will continue contributing to an increased ROE, and its operating leverage should also lead to expanding margins going forward.

Due to its continuous business development, rollout of new products and services, expansion into new geographies, and strong historical growth rates, we feel that its forward valuation of 8.9X P/E helps to support our thesis for price appreciation in the coming years. If the company can continue to execute on adding new business lines, expanding its partnerships and markets, and growing its top and bottom lines at these high rates, we feel that its current valuation represents an attractive opportunity.

Risks to Consider

Since PRL is a consumer lending platform, it faces credit risk, the risk of a customer or counterparty defaulting on their contractual obligations. PRL also is exposed to industry risks, as the company operates in several states across the U.S., many provinces in Canada, and now the U.K., any changes in the laws and regulations in these areas can negatively impact PRL's results. Interest rate risk is considerable for PRL, as it has benefited from the rising interest rate environment, as consumers pushed out of the traditional financial system have sought loans with PRL. However, we feel this risk is slightly offset by a net benefit whereby PRL can see margin expansion due to its credit facilities mostly being on a floating rate basis.

Bottom Line

While PRL is a relatively new name to the TSX and it does not have too many years of operating experience, it has witnessed rapid growth in its product and service offerings across both Canada and the U.S., and it is demonstrating it can expand into new geographies with its latest acquisition of QuidMarket. Its growth rates are impressive, and the nature of its capital-light business model enables high operating leverage, which should increase its margins in the coming years. PRL trades at a reasonable valuation relative to both its peers and its historical average and given its expansion in margins as its operating leverage takes hold, we feel that it has a long runway ahead of it. Overall, this is becoming a high-quality name that has the potential for high future growth rates and continued margin expansion.

Learn More

5i Research provides easy-to-understand research reports on over 50 Canadian growth and dividend stocks, including PRL. For more, or to try 5i Research for free, visit www.5iresearch.ca

Chris White, CFA, Head of Research for 5i Research Inc.

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Highlights From The Ben Graham Centre's 2025 Value Investing Conference

Rita Silvan, CIM

Each spring, global value investors make the pilgrimage to Toronto to attend The Ben Graham Centre's Value Investing Conference. This year, those hoping to gain deep insight into the shambolic state of the markets got the headline message: "Don't over-emphasize the macro." Here are some highlights from this year's event:

Scott Phillips, principal and chief investment officer at Templeton and Phillips Capital Management in Tennessee, is co-author of (along with his wife and Sir John's great niece, Lauren C. Templeton), *Investing the Templeton Way*. He spoke about three sources of alpha:

1) information,
2) modelling/trading algorithms, and
3) behaviour.

Successful investing, he says, also means addressing the role human physiology plays in mental, physical, and emotional well-being. "Regular exercise, practising mindfulness, looking out at the horizon and being in nature to lower cortisol levels. These are important factors in being a better investor over the long term."

"A stock portfolio is a lot like a bar of soap. The more you handle it, the smaller it gets."

The behavioural factor may be the hardest to manage. A study by Fidelity[1] that reviewed customer portfolio performance from 2003 to 2013 found those with the best returns were either inactive or dead.

"Always accommodate the sellers."
- Sir John Templeton

Sir John Templeton made his name and his fortune on Wall Street by taking contrarian bets, like using leverage to buy every stock he could for under a dollar at the start of World War II. By 1968, he decamped to the Bahamas where he ran his business. In pre-internet days, his favourite newspapers, including *The Wall Street Journal* and *The Financial Times*, arrived on the island several days late. Far from being disappointed, Templeton appreciated the mental space. "If I were on Wall Street, I'd probably be a lot poorer… a short focus is not conducive to long profits. Here, I can just focus on what businesses are worth."

One lesson from Sir Templeton is the importance of mental flexibility. Phillips says, "For the past 15 years of low interest rates, investors' minds have been primed to 'buy the dip'. The average human has 40-50 thoughts per minute. Over 15 years, this amounts to over 315 million thoughts. If a percentage of the thoughts involve 'buy the dip', it becomes more challenging to problem-solve a new regime" of potentially higher inflation amid a global tariff war. During a cycle of higher interest rates, Phillips is looking for opportunities outside the Magnificent 7 and at U.S. small cap, international and secular growth companies, such as HDFC Bank in India.[2]

"It is easy to turn an aquarium into fish soup but not so easy to turn fish soup back into an aquarium." *- Lech Walesa*

Classic value investing, as practised by Benjamin Graham, the father of value investing, is based on hand-selecting a small basket of stocks with the most attractive quantitative and qualitative profiles to ensure a suitable margin of safety. Graham's modern-day disciplines use value metrics as price-to-earnings (P/E), price-to-book (P/B), debt-to-equity (D/E), return-on-equity (ROE), and earnings-per-share (EPS) to winnow the potential winners from the losers.

However, times have changed since Graham's era, argued keynote speaker Michael Mauboussin, noted author and financial researcher at Counterpoint Global Capital in New York. The global economy is increasingly driven by investments in intangible assets, which outpace tangible assets 2:1. (It's like "capitalism without capital".)

Tangible assets are physical objects such as factories, machinery, and real estate. Intangible assets are non-physical. They include brand awareness, employee talents, software code, customer loyalty, and company culture.

Intangibles have four characteristics:

1. Scalability (high upfront costs but low incremental costs, e.g. network effects).
2. Sunkeness (tangible assets retain more resale value due to their standardization)
3. Spillovers (intangible assets are easy to copy but have protection from copyright)
4. Synergies (innovation arises from combining existing technologies)

Mauboussin points out that tangible investments are capitalized on the balance sheet and depreciated over time. Intangible assets are marked as an expense thus they decrease stated earnings.

Except for accounting nerds, why should investors care about how intangible assets are stated on the balance sheet? According to Mauboussin, treating tangible and intangible assets differently introduces bias into common metrics, such as P/B, which value investors often use as shorthand. For a company that is intangible intensive, adjusting the balance sheet will result in operating profit margin expansion once intangible assets are capitalized in the same way as tangible investments. (In fact, the net income for the S&P 500 would be around 12 per cent higher than reported if this adjustment were made.)

The takeaway for investors: Exercise caution when comparing earnings and multiples from different periods and different industries. "Value factors are not value investing," says Mauboussin.

"You make most of your money in a bear market, you just don't realize it at the time." *- Shelby Davis*

Professional and retail investors alike are suffering from whiplash. The cadence and amplitude of market gyrations, due primarily to the unsteady nature of the current U.S. administration, have investors on the back foot. They must now include the "moron risk premium" in their investing decisions.

However, as ever, time and behavioural arbitrage provide an edge for value investors, says Tim McElvaine, founder and president of McElvaine Investment Management in Vancouver. Bonus for D.I.Y investors: No career risk—we can't fire ourselves.

According to McElvaine, there are 5 key ways not to be a value investor:

1. Buy from thoughtful, smart sellers
2. Hope the company is okay
3. Ignore the company balance sheet
4. Focus on price predictions
5. Ignore insider ownership

Opportunities can be found in companies that are experiencing bad news, dividend cuts, or special situations, are underfollowed by analysts and have a "yuck" factor. These types of companies can offer outsize returns over the long term. "A double after three years is better than 20% a year," says McElvaine.

Speakers also shared some of their favourite books and stock picks:

Book Recommendations

- *Value Investing from Theory to Practice* by George Athanassakos
- *Simple But Not Easy* by Richard Oldfield
- *Investing the Templeton Way: The Market-Beating Strategies of Value Investing's Legendary Bargain Hunter* by Lauren C. Templeton, Scott Phillips
- *The Investment Value of Good Will* by Lawrence N. Bloomberg
- *Capitalism Without Capital* by Stian Westlake, Jonathan Haskel

Companies mentioned:

Fairfax Financial (ticker: FFH-T), CN Rail (ticker: CNR-T), Knight Therapeutics (ticker: GUD-T), Canfor (ticker: CFP-T), Jardine Matheson Holding Ltd., (ticker: JMHLY-otc), Microsoft (ticker: MSFT-Q), Terravest (ticker: TVK-T), Boyd Service Group (ticker: BYD-T), Constellation Software (ticker: SCU-T), Snowflake (ticker: SNOW-N), Amazon (ticker: AMZN-N), Alimentation Couche-Tard (ticker: ADT-T), Allstate (ticker: ALL-N), Royal Bank of Canada (RY-T), Fairfax Financial India (ticker: FIH-U.T)

Rita Silvan, CIM is a finance journalist specializing in women and investing. She is the former editor-in-chief of ELLE Canada and Golden Girl Finance. Rita produces content for leading financial institutions and wealth advisors and has appeared on BNN Bloomberg, CBC Newsworld, and other media outlets. She can be reached at rita@ellesworth.ca.

1 https://www.morningstar.com/columns/rekenthaler-report/archives-praise-dead-investors

2 The Magnificent 7 stocks : Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla.

Insiders Are Not Always Executives

Politicians Loosely Regulated

Richard Morrison

The behaviour of insiders—managers, officers or anyone who owns more than 10% of a company's shares—has long been regarded as a good indicator of a stock's future direction. An insider knows the company intimately, and while he or she may sell their shares to finance a house purchase or other major expense, an insider who buys into the company shows they are confident the stock will rise. Investors can profit by trading alongside these corporate soothsayers.

Insiders need not be corporate executives, however. Politicians may also be considered insiders, since they are privy to upcoming legislative changes and the awarding of government contracts that affect publicly traded companies. If you believe that there are strict and well-enforced laws that prevent politicians from trading on non-public knowledge, you may be forgetting who makes the laws.

Corporate insiders must file reports with regulators whenever they buy or sell their company's stock. In Canada, the regulatory agency is the Canadian Securities Administrators' System for Electronic Disclosure for Insiders (SEDI), while its counterpart in the United States is the Securities and Exchange Commission (SEC) Edgar database. To prevent short-term trading on non-public knowledge, insiders are not allowed to sell within six months of buying.

Common sense comes into play when using insider reports, whether from the raw data found on regulatory sites or from third-party subscription-based sites that analyze the data. A sale or purchase by a single individual is of less significance than several simultaneous buys or sells from everyone in upper management. Insider buying by insiders at small-cap firms, where senior managers can keep a close eye on their company's affairs, ought to generate better results than those by executives at large-cap corporations who must keep track of operations all over the world. As well, it's logical that chief executives, chief financial officers and the most high-ranking insiders are more likely to be privy to non-public information about their company than outside shareholders, regardless of how large their stake.

Another positive sign for investors comes when trading data shows insiders buying when a stock is depressed after, say, a disappointing earnings outlook or poor guidance, although insiders are barred from trading during set blackout periods. If there is no insider buying when the blackout ends and a stock still appears undervalued, however, it may indicate that managers expect the bad news to continue.

Regardless of when the insiders bought, it's a good sign when many executives have large personal stakes in a company, since they're likely to make decisions benefitting all shareholders. At the other extreme, investors have justifiable concerns if the list of insiders shows only a few names with enough confidence in their own company to hold more than token amounts of its shares.

Insider trading may hint at the future direction of the overall market. The insider buy-sell ratio, an aggregate of reported insider activity, reflects overall insider confidence in the market, and has proven useful for those who want to time their trades. A high median buy/sell ratio above 0.5 shows insiders are optimistic about the market, while one below 0.5 reflects pessimism. As of June 2025, the U.S. buy/sell ratio median is 0.4, down from 0.51 in April, says the Gurufocus site. The highest reflection of insider optimism in the past five years came in May 2022, when the ratio reached 0.81, while the lowest was 0.17 in February 2021, the Gurufocus site says. Neither SEDI nor SEC publish anything on the buy-sell ratio.

Politicians may have access to more profitable inside information than do corporate insiders themselves, as almost every regulatory change has at least an indirect effect on some company, somewhere.

In Canada, the federal Conflict of Interest Act prohibits holders of public offices from using non-public information to benefit themselves, their relatives or friends. The act requires the Prime Minister, cabinet ministers and other "reporting public office holders" to sell certain assets or put them in a blind trust while they are in office. Public office holders must provide a confidential report on what they own within 60 days of taking office, the Act says.[1] Ordinary Members of Parliament, however, are free to trade.

The federal Lobbying Act requires lobbyists who act on behalf of corporations to provide regular reports to the Commissioner of Lobbying, Nancy Bélanger.[2]

There are no sites that track trades by Canadian politicians and requirements for Canadian legislators are less demanding than those required by U.S. authorities. In the United States, the 2012 Stop Trading on Congressional Knowledge (STOCK) Act required politicians to disclose their stock market trades within 45 days, but the fine for failing to disclose trades is a token of US$200 per infraction. Reporting has been slow and lax and so far, many of the politicians accused of failing to report have not even bothered to pay the token fine. More recent efforts to tighten regulations on insider trading have yet to pass, an October 2024 report says.[3]

The perception that U.S. politicians can freely buy or sell stocks based on non-public information has led to the establishment of subscription-based sites that track their trades and even two Exchange-Traded Funds (ETFs) that try to duplicate politicians' investment holdings. The Unusual Whales Subversive Democratic Trading ETF (NANC) tracks the trades of Democratic lawmakers, with a particular focus on California representative and former House speaker Nancy Pelosi, whose husband Paul is a venture capitalist. The Unusual Whales Subversive Republican Trading ETF (GOP) tracks Republicans.

Several third-party websites sift through regulator's insider trading data to offer investors insights into investor activity. Like most investment sites, many allow casual visitors to see their basic features for free while urging them to sign up for a one-week or one-month trial using a credit card. The card will then be charged unless you cancel before the trial period ends.

Barchart (barchart.com)

Chicago-based Barchart, launched in 1995, was an early entry among investing sites. Barchart allows access to more detailed insider data than offered to casual visitors by other sites. Under its Investing tab are up-to-date lists of corporate insiders and politicians that can be sorted and screened by country, company name, date range, type of trade (buy or sell), dollar amount and so on. After a one-month free trial, subscriptions start at US$17 a month.

Capitol Trades (capitoltrades.com)

Powered by the 2iQ Research insider trading "data factory" based in Frankfurt, Germany, Capitol Trades provides a free weekly newsletter on trades made by U.S. politicians. The site sifts through data on trading over the past three years: 34,539 trades by 217 U.S. politicians who made 1,714 filings of trades involving 3,119 issuers. Potential subscribers must first provide their email address.

Gurufocus (gurufocus.com)

Founded in Plano, Texas in 2004, this US$499-a-year subscription-based site follows 144 of the most successful investment "gurus," quoting from their general advice and tracking their trades. The latest insider information is available only to subscribers, but others can still spend hours on the site wading through its mountain of free information, including dozens of stock screeners and other tools, market news and the like. Gurufocus founder Charlie Tian, who wrote Invest Like a Guru in 2017, is a high-profile figure who offers extensive commentaries.

Insider Tracking (InsiderTracking.com)

This Vancouver-based site provides insider net buy-sell lists and charts by company, together with links to weekly insider trading reports and other tools on its Canadian Insider and INK Research sites that focus on insider trading. Among other features, subscribers can be contacted when stock insiders on their watch lists are buying or selling. Subscriptions are US$17.79 a month.

InsiderScreener (insiderscreener.com)

This site features subscription packages of $16, $27 or $55 a month linked to levels of desired detail. Casual visitors checking out the site for free can see raw data and one-year stock price charts that highlight the dates of insider purchases (green dots) and sales (red) for specific companies. Visitors can also see the trades of individual insiders tracked over five years. Only paid subscribers may use the site's screeners and alerts. The InsiderScreener site provides no direct information on its physical location other than the founder's first name, Emmanuel.

MarketBeat (marketbeat.com)

Based in Sioux Falls, South Dakota, MarketBeat allows casual visitors to access free Canadian and U.S. insider trading data, including buys and sells made by corporate executives and U.S. members of Congress. The tables can be sorted by country, sector, market cap and transaction size but more analytical research is limited to subscribers who pay US$33.25 per month or US$399 a year.

Quiver Quantitative (quiverquant.com)

Quiver was launched in 2020 from the Madison, Wisconsin apartment of two recent university graduates, twin brothers James and Chris Kardatzke. This site, based in Spring Green, Wisconsin, says it aims to bridge the gap between sophisticated insiders and retail investors, with a focus on U.S. politicians and corporate lobbyists. Visitors can see insider trades by politicians, insiders and institutions for free, while subscribers who pay US$25 a month (US$300 a year) get strategies, alerts and other features.

SECForm4 (SECForm4.com)

Based in Houston, Texas, this relatively easy-to-navigate site provides insider trading reports, buy/sell ratios by company and some quarterly institutional trading data free for casual visitors. Along with insiders, the site also allows visitors to sift through lists of hedge funds to see the best performers, their holdings and money flows, not all of which are up-to-date. More detailed tools and data are available to subscribers in basic (US$486 per year) or advanced ($539) packages.

Richard Morrison, CIM, is a former editor and investment columnist at the Financial Post. richarddmorrison@yahoo.ca

1 https://laws.justice.gc.ca/eng/acts/l-12.4/

2 https://laws-lois.justice.gc.ca/eng/acts/c-36.65/

3 Politician Trading: If you can't stop them, join them. Report by David Axelrod, Hannah Welsh of Ballard Spahr in, Law.com, Oct. 2, 2024

Portfolio *Confidential*

Barbara Stewart

I've owned a very successful engineering firm for over 35 years now and I plan to finally retire this summer at age 72. I have two trusted investment advisors (at different firms) and they both run balanced portfolios for me. Starting this fall I would like to draw income from my portfolio, but I am unsure as to which accounts I should draw from. I have corporate accounts, registered accounts and personal accounts. How do you think I should set myself up? Should I have a meeting with both of my advisors to discuss this?

First, congratulations on your imminent retirement! Next, it is great that you already have two advisors that you trust so you will be in a good position to start your next chapter.

Which accounts should you draw income from? Depending on the amount involved, it will probably make sense for you to use your mandatory RRIF withdrawals to fund part of your annual spending requirements and otherwise supplement with income from one or more of your other accounts. With a balanced strategy of bonds and equities, you will be earning income from both interest and dividends. In my opinion, this is a decision for your tax advisor as it is important to figure out the most tax-effective strategy for drawing income.

Should you have a meeting with both of your advisors to discuss this? I don't think so. As mentioned, this is a question for your tax professional, and from there you will be able to decide whether to take your income 50/50 from each advisor, or any other split that makes sense to you. While it is always a good idea to share information with all your advisors so everyone understands your consolidated position and profile, having two investment advisors meet to discuss this issue won't serve any purpose. First, get a handle on the tax implications of each of your accounts, then ask each of your advisors where they suggest you draw your income from and why. Once you have all the facts, this is your decision to make.

At 45 I've recently inherited some money, and I've been shopping around to find a good investment advisor. To be honest, I've now met with six different people and I'm just getting more and more confused. They always ask me about my risk tolerance but since I don't have much experience investing I don't know how to answer that question. Two of the advisors assumed that since I am a woman I don't like to take much risk. Can you give me some guidance around risk tolerance?

In the world of investing, standardized risk questionnaires are still the norm. And as you have experienced first-hand, the most pervasive question is "What is your risk tolerance?" Most investors check a box describing their risk tolerance as one of conservative, moderate, or aggressive. But what is the risk that the investor tolerates? The assumption is that risk is short-term market volatility. But the really risky scenario is when longer-term objectives are not met…especially for women.

We know that on average women live nearly five years longer than men. That means the average female retiree needs to save and invest well over $100,000 more than the average man. If women don't take enough risks and keep too much money in cash, they will certainly not meet their long-term objectives. The onus is on your advisor to ensure that this concept is well understood!

Risk is a moving target and so is risk assessment. To properly assess investment risk, advisors need to look at a client's investment portfolio as a whole, and in the context of their life goals. This isn't about ticking boxes. What are the implications for a woman's overall life and welfare if she takes different amounts of risk? More importantly, what are the implications if she doesn't take enough risk? A financial plan is an excellent tool to use for these types of discussions. A good advisor will run a wide variety of scenarios using a wide variety of input assumptions. This way they can have a comprehensive discussion about the numbers, but always in the context of a client's life and her unique preferences.

I must say I cringed when I read about the two advisors who assumed that as a woman you don't like to take much risk. My research has clearly shown that risk tolerance varies, but not because of gender. From the global Rich Thinking 2019 Quantitative Survey: If it was ever true that women were excessively fearful about risk, it's not true anymore. Fewer than one in 10 women said they were risk averse, while nearly three-quarters said they were risk aware, not risk averse. And about 16% self-identified as risk takers and said they had no problem with risk at all.

People of all genders have a mix of risk-avoiding and risk-seeking tendencies. More importantly, how much risk anyone will take is based on how aware they are of all their options in any given context. Risk tolerance is shaped more by life experience, personality, education, and situational factors than by gender.

Finally, I would encourage you to spend some time reflecting on what is important to you. What are your values around investing? Are there certain causes or concerns that matter to you? Once you are super clear on this you will be more assured in your interviews with advisors. I have found that the propensity for risk-taking rises with value alignment. Whether it's investing in a new venture or the stock market, if a woman is interested and an opportunity is aligned with her causes and concerns, she will be motivated to take a risk.

Do you have questions about your own investment portfolio?

Consider calling The Rich Thinking® Financial Advice Hotline. This will be a win-win: you get a free 30-minute confidential Zoom chat offering an independent, unbiased perspective on your financial situation with no sales pitch! In exchange, I get to use the anonymized data that will come from these conversations to make my Rich Thinking research even better. Email me to book your Zoom discussion: ***barbara@barbarastewart.ca***

THE CASH COW GROWTH ETFs

MICHAEL HUYNH | INVESTMENT ANALYST | 5i RESEARCH

THE IMMINENT TRADE-OFF IN INVESTING

The conventional wisdom in the investing industry divides investors into two camps: growth and value investors. Growth investors are the ones who seek high-growth companies that are still early in their growth journey, expecting that these companies can continue to reinvest and compound capital on behalf of shareholders for many years. These young enterprises are optimized for market share and growth rather than profitability. For instance, Walmart (WMT), Home Depot (HD) or Costco (COST) in their early days reinvested most of their profits into opening new stores. In other words, these businesses pursued long-term growth at the expense of current profitability. Shrewd growth investors understand this dynamic and are willing to sacrifice current profitability for an opportunity for a greater amount of profitability down the road.

The opposite is also true for value investors who value current profitability more than future growth. These investors actively seek profitable companies with abundant free cashflow that are ready to be distributed to them either through buybacks or dividends. However, as a result of limited opportunity, these investors are content with low or no-growth businesses.

Investors constantly face the puzzle of which investing strategy is the better option:

- Companies with attractive free cashflow, but limited growth opportunity or
- Businesses with limited current free cashflow but an appealing growth prospect in the long term.

THE BEST OF BOTH WORLDS: HIGH-QUALITY AND GROWTH

There is a tiny subset of publicly traded stocks that can provide investors with both attractive current cashflow and solid growth opportunities. These companies are rare, and the investing community usually refers to them as “high-quality businesses”. By definition, these are companies that not only generate consistently healthy and growing cashflow year after year but also possess a bright prospect for many years in the future.

These companies are such appealing prospects for the following reasons:

- These companies earn a high return on capital but can also grow without the need for significant capital reinvestment. For example, imagine the extra cost for a software company like Microsoft to license one additional subscriber to access their software solutions like Excel, Word, etc., or how much extra does it cost Google to process a search query by users?
- Most of the revenue flows straight to the bottom line, as it does not cost much once the initial investment (in terms of research and development) has been laid out.
- These companies do not require a factory, machine, etc. or any meaningful physical footprint (aside from some data centres, which can be leased) to generate an extra dollar of revenue.

Therefore, incremental profits at these companies are brilliant, and these companies are also referred to as "cash cow" businesses. Combining favourable economics of high-quality businesses with a tailwind of high growth. Investors could enjoy a double tailwind for their investments. These companies tend to reward their investors handsomely over time, and buying and holding a portfolio of these companies through thick and thin is one of the most sustainable ways to grow wealth over time.

Here are two Exchange-Traded Funds (ETFs) that give investors exposure to this investment area:

Pacer Developed Markets Cash Cows Growth Leaders ETF (EAFG)

The Pacer Developed Markets Cash Cows Growth Leaders ETF (EAFG) provide investors with exposure to the best growth companies in the MSCI European Australasia and the Far East (EAFE) Index by screening for quality factors with strong growth opportunities.

The fund targets high-quality companies in developed markets for high free cashflow margins and attractive long-term upside potential driven by a long runway for growth. EAFG is a decent-sized ETF which has $1.0 billion in Assets Under Management (AUM) and a Management Expense Ratio (MER) of 0.65%.

EAFG's portfolio is broadly diversified across sectors, including Communication Services (21.4%), Information Technology (19.6%), Industrials (19.5%), Consumer Discretionary (19.1%), etc. The holdings in the ETF provide investors with exposure to high-quality and strong growth themes without targeting any specific sectors.

The fund is rebalanced semi-annually in March and September, and all holdings are capped at 5% at the time of rebalance. The holdings are equities across developed markets, consisting of Japan (24.99%), Australia (9.76%), the United Kingdom (7.77%), etc. The fund currently has 104 names within the portfolio, with some of the fund's largest positions including Spotify Technology (SPOT) at 4.51%, Pro Medicus Ltd (PME.AU) at 3.25%, Grab Holdings (GRAB) at 3.02%, Nintendo Co (7974 JP) at 2.62%, and Konami Group (9766 JP) at 2.53%.

The overall portfolio is trading at a very attractive valuation, with a 22.5 times Price/Earnings (P/E), a free cashflow margin of 21.7% on average, and the fund is currently offering a twelve-month trailing yield of 1.1% that is paid out monthly.

Pacer U.S. Small Cap Cash Cows Growth Leaders ETF (CAFG)

The Pacer U.S. Small Cap Cash Cows Growth Leaders ETF (CAFG) pursues a similar strategy to EAFG but focuses primarily on the U.S. market and within the small capitalization universe. The strategy is to seek high-quality, strong-growth companies within the S&P Small Cap 600, screened by above-average free cashflow margins.

CAFG's portfolio has an average free cashflow margin of 18.9%, which is superior compared to the S&P Small Cap 600 Index of only 5.5%. The companies in the portfolio have a decent track record of generating growing free cashflow organically.

CAFG's portfolio is heavily dominated by three sectors, including Health Care (26.3%), Information Technology (22.7%) and Industrials (21.4%). The fund currently has 102 holdings, with some of its largest positions including Corcept Therapeutics (COPT) at 4.5%, Pacira BioSciences (PCRX) at 3.0%, Adtalem Global Education (ATGE) at 2.7%, InterDigital (IDCC) at 2.6%, and A10 Networks (ATEN) at 2.58%

CAFG currently has around $18.9 billion in AUM, charges an MER of 0.59% and has a modest twelve-month trailing yield of 0.34%.

Ask the Experts

ALL ANSWERS ARE PROVIDED BY 5i RESEARCH.CA

Q: *How serious do you feel the aggregate global debt situation is? I have read that the total is now well over $300 trillion USD. Government and consumer spending seems somewhat out of control in much of the world. Let's put it this way – if the Earth was part of an interplanetary federation, would the aliens' financial authorities think we are heading towards bankruptcy?*

A: The aliens likely would not want to buy Earth's bonds. Certainly governments worldwide have been 'kicking the can down the road' for 50 years or more. Both Canada and the US are spending too much money and running up bigger deficits. The problem for investors, though, is none of this is new. One could have shorted the market in 1985 on the same thesis, and of course one would be broke now if that is what was done. There is a level of debt that can be managed by high growth. Growth overall has been decent, and thus there have not been many crises. Typically, high debt will result in lower values for currencies, and this is likely why gold has done so well for 30 years (as a store of value). Crypto currencies might offer a store of value, but so far their record has been sketchy and the volatility is not great for investors looking for places to hide. This year, with the flight away from the US dollar, and US assets, may be the start of a trend, or (which would be our guess) simply a reaction to the current trade war and 'tweet' politics where everything can change on a single social media post. If there is a trade war resolution or a new administration, the currency flight could easily reverse. Good companies will still be good investments. In fact, bond-wise, companies with strong cash flow are likely safer than many government bonds. Sure, government bonds are guaranteed, but if they are just printing dollars to satisfy the obligation then that is not much of a guarantee, really. So, it is hard to predict what's going to happen. The US could default or carry on as is for another 50 years. Some gold exposure we think makes sense for all investors, as insurance.

Q: *My question is on portfolio management – trimming, rather than selling. I'm that some sectors and companies, or even countries like the U.S. market, are a bit expensive and might well be trimmed.*

Even if you don't agree with the premise, what areas would you trim on that basis? I have already trimmed gold.

Also, can you suggest some areas that do not fit that premise and are under-valued?

Thanks, as always, for your wisdom.

A: Despite recent weakness, the U.S. market is still more expensive than international markets, so that is one possible area to trim. We are not that worried about the U.S., but the capital flows out of the country could certainly continue for a while. The tariff yo-yo is not good for business or confidence. Gold has had a good run but we think remains attractive. We think now that tech has corrected somewhat it is starting to look better, especially as Q1 earnings were fine for the most part and spending comments have been positive. Utilities are mixed, as we do not really know where interest rates are going to end up. Some caution is advised on consumer discretionary, as we are not out of the woods yet in terms of a possible global recession.

Q: *Where do you see U.S. Treasuries going over the next 6-12 months, given recent weakness due to massive American debt. Is it a reason to exit U.S. assets, including stocks, or do you see the problem resolved somehow? Is it a simple case of the U.S. Treasury Market simply being too big to fail? Welcome your insights.*

A: Investors have fretted about the U.S. debt for more than three decades. The current worry we think is more of an anti-U.S. sentiment than true, additional, new concerns. There are still not a lot of global reserve currencies that investors are comfortable with. At the end of the day, it will come down to economics and interest rates. Right now, investors are worried about both. But if tariffs are not as bad as expected, the economy and inflation will look better. While there are always risks, we think they are being priced in. U.S. 10-year rates have been above 5% before (last year also) and the world did not end. We think Europe and other areas look decent, and are priced better than the U.S., but in a global asset allocation we would still want more U.S. exposure than any other country.

Q: *The TD chief economist is predicting a recession for Canada, and is also concerned about stagflation. What are the best investments for our protection?*

A: In the event of a stagflationary environment, high-quality dividend stocks in defensive sectors can help protect against erosion of purchasing power. Hard assets like gold and precious metals, agricultural stocks, and even energy stocks, can help against inflation shocks. Low volatility ETFs can help to provide upside potential, while helping to minimize downside risks.

Q: *I continue to have about 70% of my savings in cash with plans to input through dollar cost averaging. A couple of weeks ago you suggested a spread over 6 months. Is this still your view? It seems that the rebound has taken place and I am worried about missing the increases. But I know we are still in an uncertain market. Thank you.*

A: The market dynamics have been in flux, and while we cannot personalize responses, we generally like to keep cash balances minimal for a couple of reasons:

1) There is always a bull market or opportunity somewhere, even when the broader markets are declining, one sector, industry, is likely increasing, and 2) over a long period of time, cash acts as a drag on portfolio performance.

The market has rebounded nicely, essentially following a 'V-recovery' shape that we have seen in 2019, 2020, and other instances in prior decades. The markets are still below all-time highs, and while investors may be intimidated by the relentlessness of this rebound, we feel that dips provide good buying opportunities. Many investors reduced their equity and leverage exposures significantly in the drawdown, and we think these will be built back up in the coming months. We would be quite comfortable deploying cash today for a long-term hold, given that we think investors who sold near the bottom will be chasing the market higher into new highs, fueling a bull market run.

You must accompany your inquiry with your Membership Number (ID) and your e-mail to have your question reviewed. Inquiries are responded to directly and the Q&A may be published here later.

TOP FUNDS RANKED BY FIVE-YEAR RETURN AS OF JUNE 2, 2025

Fund Name	1 Month Return (mth-end)	3 Month Return (mth-end)	6 Month Return (mth-end)	YTD Return (mth-end)	1 Year Return (mth-end)	3 Year Return (mth-end)	5 Year Return (mth-end)	10 Year Return (mth-end)	15 Year Return (mth-end)	Yield 12 Mo	MER	Mgmt Fee	Total Assets ($Mil)
PRECIOUS METALS EQUITY													
Dynamic Precious Metals Series I	4.82	25.49	42.36	48.47	69.07	27.90	17.94	21.51	9.60	0.00	0.08	0.00	896.11
Canada Life Precious Metals N	6.05	24.41	38.22	46.30	56.37	25.02	16.65	18.90	-	2.98	0.02	-	228.43
Dynamic Precious Metals Series F	4.70	25.09	41.47	47.70	66.97	26.36	16.52	20.05	8.19	0.00	1.30	1.00	896.11
Mackenzie Precious Metals O	5.90	24.32	37.94	46.17	55.45	24.65	16.48	18.82	9.21	2.11	-	-	281.86
Mackenzie Precious Metals PWX	5.90	24.31	37.93	46.17	55.44	24.64	16.48	18.82	-	2.11	0.01	-	281.86
CI Precious Metals Cl P	6.67	28.04	38.52	45.94	61.54	23.26	15.46	13.59	-	0.00	0.16	-	25.57
CI Precious Metals P	6.71	28.15	38.66	46.07	61.70	23.27	15.45	13.62	-	0.00	0.16	-	295.20
CI Precious Metals O	6.70	28.13	38.60	46.03	61.57	23.18	15.37	-	-	0.00	0.23	-	295.20
CI Precious Metals Cl O	6.67	28.02	38.47	45.89	61.41	23.16	15.37	-	-	0.00	0.24	-	25.57
Mackenzie Precious Metals F	6.19	30.71	39.89	52.73	52.74	20.04	15.34	16.39	5.94	-	1.05	0.80	204.05
Canada Life Precious Metals QFW	5.95	24.08	37.48	45.66	54.70	23.68	15.30	-	-	2.76	1.09	0.80	228.43
IG Mackenzie Global Precious MetalsF	5.82	23.50	36.58	44.88	53.47	23.59	15.26	17.55	-	2.24	1.07	0.75	205.74
Mackenzie Precious Metals F	5.81	24.00	37.23	45.55	53.85	23.36	15.26	17.54	7.89	1.95	1.05	0.80	281.86
Canada Life Precious Metals F	5.95	24.08	37.47	45.65	54.68	23.66	15.25	17.43	-	2.76	1.11	0.80	228.43
Mackenzie Precious Metals PWFB	5.81	24.00	37.23	45.55	53.86	23.37	15.24	-	-	1.95	1.03	0.80	281.86
Dynamic Precious Metals Series G	4.59	24.71	40.60	46.95	64.91	24.80	15.08	18.56	-	0.00	2.56	2.25	896.11
Canada Life Precious Metals QF	5.92	23.96	37.21	45.42	54.10	23.21	14.94	-	-	2.70	1.47	1.00	228.43
Dynamic Precious Metals	4.57	24.64	40.46	46.82	64.57	24.59	14.89	18.35	6.77	0.00	2.73	2.25	896.11
Mackenzie Precious Metals D	6.16	30.62	39.69	52.55	52.32	19.71	14.88	15.98	-	-	1.32	1.00	204.05
Mackenzie Precious Metals FB	5.78	23.88	36.97	45.33	53.28	22.90	14.86	-	-	1.89	1.41	1.00	281.86
ENERGY EQUITY													
Ninepoint Energy Series F	11.54	6.43	1.00	1.50	-8.44	0.49	54.25	6.59	6.06	0.34	1.81	1.50	1,380.25
Ninepoint Energy Series A	11.44	6.14	0.45	1.05	-9.43	-0.62	52.46	5.46	4.97	0.00	2.91	2.50	1,380.25
Ninepoint Energy Series D	11.54	6.43	1.00	1.51	-8.43	0.62	51.08	-	-	0.33	1.80	1.50	1,380.25
Canoe Energy Portfolio Class F	7.92	-0.47	-3.17	-4.46	1.07	5.59	35.79	4.30	-	2.78	1.70	1.25	875.54
Canoe Energy Portfolio Class A	7.82	-0.74	-3.70	-4.89	-0.04	4.43	34.32	3.18	-	2.83	2.82	2.25	875.54
Canoe Energy Income Portfolio Class F	7.45	1.57	-1.88	-2.99	2.78	8.16	29.47	3.31	-	6.26	1.73	1.25	379.76
Canoe Energy Income Portfolio Class A	7.35	1.29	-2.43	-3.44	1.65	6.97	28.05	2.18	-	6.10	2.84	2.25	379.76
CI Global Energy Corporate Class PP	9.02	-1.90	-9.26	-6.39	-10.79	4.30	24.80	-	-	1.97	0.16	-	95.48
CI Global Energy Corporate Class P	9.51	3.40	-7.46	-1.99	-11.48	1.40	24.77	-	-	-	0.25	-	69.44
CI Global Energy Corporate Class P	9.01	-1.92	-9.30	-6.43	-10.87	4.20	24.68	-	-	1.97	0.25	-	95.48
CI Global Energy Corporate Class EF	8.93	-2.14	-9.71	-6.78	-11.68	3.26	23.56	-	-	1.97	1.15	0.88	95.48
CI Global Energy Corporate Class F	9.42	3.14	-7.92	-2.40	-12.35	0.43	23.56	3.15	2.60	-	1.23	0.90	69.44
CI Global Energy Corporate Class F	8.92	-2.17	-9.75	-6.82	-11.75	3.20	23.48	4.17	4.49	1.97	1.23	0.90	95.48
CI Global Energy Corporate Class X	8.86	-2.32	-10.03	-7.05	-12.31	2.52	22.66	-	-	1.97	1.87	1.10	95.48
CI Global Energy Corporate Class E	8.84	-2.40	-10.17	-7.17	-12.58	2.21	22.29	-	-	1.97	2.17	1.88	95.48
CI Global Energy Corporate Class A	9.32	2.85	-8.42	-2.84	-13.30	-0.68	22.20	2.01	1.46	-	2.31	1.90	69.44
CI Global Energy Corporate Class A	8.82	-2.44	-10.24	-7.24	-12.70	2.06	22.12	3.02	3.33	1.97	2.31	1.90	95.48
RBC Global Energy Fund F	2.51	-8.95	-8.54	-3.97	-5.55	3.18	19.53	4.49	4.78	2.75	0.98	0.75	223.72
Palisade Select A-2	-11.02	-6.95	-7.00	-8.83	-10.87	-1.78	19.34	1.15	2.96	0.00	-	1.00	46.22
RBC Global Energy Fund D	2.49	-9.01	-8.65	-4.07	-5.78	2.92	19.21	4.23	4.51	2.45	1.24	1.00	223.72

TOP FUNDS RANKED BY FIVE-YEAR RETURN AS OF JUNE 2, 2025

Fund Name	1 Month Return (mth-end)	3 Month Return (mth-end)	6 Month Return (mth-end)	YTD Return (mth-end)	1 Year Return (mth-end)	3 Year Return (mth-end)	5 Year Return (mth-end)	10 Year Return (mth-end)	15 Year Return (mth-end)	Yield 12 Mo	MER	Mgmt Fee	Total Assets ($Mil)
INTERNATIONAL EQUITY													
Brandes International Equity F	3.28	7.84	15.84	18.43	15.06	15.99	16.77	6.12	6.83	-	1.23	0.85	241.45
Brandes International Equity F	2.82	2.29	13.54	13.07	15.86	19.20	16.68	7.17	8.77	1.59	1.23	0.85	331.99
Brandes International Equity	3.19	7.54	15.21	17.89	13.80	14.73	15.50	4.95	5.65	-	2.34	1.85	241.45
Brandes International Equity	2.72	2.01	12.92	12.55	14.58	17.90	15.41	5.99	7.56	0.88	2.34	1.85	331.99
NBI SmartData Intl Eq Fund FH Ser	4.51	2.88	10.96	10.48	10.76	14.38	14.73	-	-	1.75	0.99	0.70	2,018.87
RBC Private EAFE Equity Pool F	6.16	9.07	13.65	15.83	11.94	10.13	13.97	6.20	6.78	-	1.24	1.00	409.60
RBC Private EAFE Equity Pool F	5.68	3.46	11.39	10.59	12.72	13.16	13.89	7.25	8.75	1.06	1.24	1.00	563.18
Fidelity International Hi Div Idx ETF F	3.98	4.58	11.25	13.39	11.94	13.21	13.77	-	-	3.99	0.67	0.45	32.79
NBI SmartData Intl Eq Fund H	4.73	2.84	10.31	10.30	9.72	13.14	13.42	-	-	0.41	2.17	1.70	2,018.87
RBC Intl Eq Ccy Netrl Idx ETF F	4.60	1.98	8.10	7.97	7.81	12.22	13.16	-	-	1.08	0.27	0.20	1,181.24
CI International Equity Fund P	5.28	9.15	10.01	8.71	5.89	9.14	13.13	-	-	-	0.25	-	546.69
RBC O'Shaughnessy Intl Equity Fund I	5.69	4.98	14.94	15.30	16.28	16.65	13.02	6.47	9.03	2.20	0.81	0.75	188.55
TD International Idx Currency Neutral-F	4.24	2.31	8.38	7.48	7.76	12.55	12.96	6.96	8.39	1.65	0.28	0.25	122.21
Fidelity Intl Discp Eq CN Cl F	5.07	2.82	10.18	10.64	13.31	12.79	12.94	6.78	7.86	0.04	1.17	0.85	1.67
BMO International Equity ETF F	4.39	0.97	7.97	7.88	7.35	12.31	12.92	-	-	0.00	0.34	0.30	292.14
Fidelity International Concntr Eq F	6.11	9.06	17.75	20.09	15.18	12.31	12.88	5.35	6.13	-	1.13	0.85	80.19
CI International Equity Fund P	4.80	3.53	7.82	3.79	6.62	11.78	12.84	-	-	1.97	0.25	-	751.67
Fidelity International Concntr Eq F	5.63	3.45	15.41	14.66	15.98	15.41	12.81	6.39	8.09	1.53	1.13	0.85	110.25
TD International Idx Currency Neutral-e	4.21	2.24	8.34	7.43	7.64	12.42	12.79	6.90	8.34	2.26	0.39	0.40	122.21
RBC Intl Eq Ccy Netrl Idx ETF DZ	4.57	1.90	7.92	7.82	7.46	11.85	12.77	6.70	8.08	0.77	0.61	0.50	1,181.24

CHART NOTES

For information on the category definitions, please visit http://www.cifsc.org/en/index.php. Front load funds (Frnt) charge a fee to investors when units are purchased; deferred load funds (Def) charge a fee when units are redeemed. Front loads may be reduced (in percent terms) as the size of the investment increases; deferred loads may decrease as the time elapsed between purchase and redemption lengthens. Some funds have either a front load or a deferred load (FnDf). Others have no load fee (None). Deferred sales charges also known as a back-end load, these deferred charges typically go down each year you hold the fund, until eventually they reach zero. Deferred sales charges give investors an incentive to buy and hold, as well as a way to avoid some sales charges, n Year Return - The average annual compound (annualized) rate of return the fund has performed over the last "n" years. It assumes reinvestment of any dividend or interest income. 1 Year Return (Yr ending DecYY) - An annual return is the fund or portfolio return, for any 12-month period, including reinvested distributions. Tax Efficiency - Calculated by dividing the fund's tax-adjusted return (pre-liquidation) by its pre-tax return, and can only be calculated when both pre-tax returns and tax-adjusted returns are positive. Distribution Frequency - The interval at which regular capital or income dividends are distributed to fund unitholders. Year end Quartiles - The quartiles (1 to 4) give the individual fund its position relative to all others in the fund type category. For example, if the fund's quartile value is "1" for the Dec 2010 yearend, this means the fund's rate of return for the 12 months ending Dec 31. 2010 is in the top 25% of all funds in its fund type category.

Source - Morningstar PalTrak. Morningstar Canada. (800) 531-4725, http://www.morningstar.ca.

TSX 60 - Constituents listed by Dividend Yield

DATE AS OF JUNE 2, 2025

Name	RIC	Annualized Dividends ($)	Dividend Yield (%)	Dividend 5-Year Growth Rate (%)	Latest Dividend Pay Date	Latest Dividend Ex-Date
Telus Corp	T.TO	1.67	7.41%	--	02-Jul-2025	10-Jun-2025
Bank of Nova Scotia	BNS.TO	4.40	5.99%	3.97	29-Jan-2025	07-Jan-2025
Enbridge Inc	ENB.TO	3.77	5.90%	4.39	01-Jun-2025	15-May-2025
BCE Inc	BCE.TO	1.75	5.85%	4.80	15-Jul-2025	16-Jun-2025
Canadian Natural Resources Ltd	CNQ.TO	2.35	5.64%	23.30	03-Jul-2025	13-Jun-2025
Pembina Pipeline Corp	PPL.TO	2.84	5.52%	3.10	30-Jun-2025	16-Jun-2025
Magna International Inc	MG.TO	2.67	5.44%	6.64	30-May-2025	16-May-2025
Rogers Communications Inc	RCIb.TO	2.00	5.43%	0.20	03-Jul-2025	09-Jun-2025
Brookfield Infrastructure Partners LP	BIP_u.TO	2.36	5.19%	3.87	30-Jun-2025	30-May-2025
TC Energy Corp	TRP.TO	3.40	4.89%	4.72	31-Jul-2025	30-Jun-2025
Algonquin Power & Utilities Corp	AQN.TO	0.36	4.82%	(5.13)	15-Jul-2025	30-Jun-2025
Suncor Energy Inc	SU.TO	2.28	4.67%	5.59	25-Jun-2025	04-Jun-2025
Power Corporation of Canada	POW.TO	2.45	4.61%	6.74	01-Aug-2025	30-Jun-2025
Emera Inc	EMA.TO	2.90	4.61%	(0.75)	15-May-2025	01-May-2025
Toronto-Dominion Bank	TD.TO	4.20	4.43%	7.14	31-Jul-2025	10-Jul-2025
Cenovus Energy Inc	CVE.TO	0.80	4.42%	30.85	30-Jun-2025	13-Jun-2025
Bank of Montreal	BMO.TO	6.52	4.42%	8.55	26-Aug-2025	30-Jul-2025
Canadian Imperial Bank of Commerce	CM.TO	3.88	4.15%	5.56	28-Jul-2025	27-Jun-2025
Canadian Tire Corporation Ltd	CTCa.TO	7.10	4.07%	11.02	01-Sep-2025	31-Jul-2025
Manulife Financial Corp	MFC.TO	1.76	4.03%	9.75	19-Jun-2025	21-May-2025
Sun Life Financial Inc	SLF.TO	3.52	3.98%	9.06	30-Jun-2025	28-May-2025
Open Text Corp	OTEX.TO	1.44	3.74%	9.96	20-Jun-2025	06-Jun-2025
Nutrien Ltd	NTR.TO	3.00	3.72%	5.39	18-Jul-2025	30-Jun-2025
Fortis Inc	FTS.TO	2.46	3.67%	5.47	01-Jun-2025	16-May-2025
Royal Bank of Canada	RY.TO	6.16	3.54%	6.59	22-Aug-2025	24-Jul-2025
Restaurant Brands International Inc	QSR.TO	3.41	3.49%	3.01	08-Jul-2025	24-Jun-2025
National Bank of Canada	NA.TO	4.72	3.47%	10.18	01-Aug-2025	30-Jun-2025
Canadian Apartment Properties Real Estate Investment Trust	CAR_u.TO	1.55	3.46%	1.47	16-Jun-2025	30-May-2025
Tourmaline Oil Corp	TOU.TO	2.00	3.23%	23.20	30-Jun-2025	16-Jun-2025
BROOKFIELD ASSET MANAGEMENT LTD	BAM.TO	2.40	3.12%	--	30-Jun-2025	30-May-2025
Imperial Oil Ltd	IMO.TO	2.88	2.94%	22.91	01-Jul-2025	04-Jun-2025
Saputo Inc	SAP.TO	0.76	2.87%	2.27	14-Mar-2025	04-Mar-2025
Hydro One Ltd	H.TO	1.33	2.64%	5.36	30-Jun-2025	11-Jun-2025
Canadian National Railway Co	CNR.TO	3.55	2.46%	9.47	30-Jun-2025	09-Jun-2025
Barrick Mining Corp	ABX.TO	0.55	2.09%	9.44	16-Jun-2025	30-May-2025
Gildan Activewear Inc	GIL.TO	1.24	1.97%	10.14	16-Jun-2025	20-May-2025
Intact Financial Corp	IFC.TO	5.32	1.71%	9.75	30-Jun-2025	16-Jun-2025
CCL Industries Inc	CCLb.TO	1.28	1.60%	11.27	27-Jun-2025	13-Jun-2025
Agnico Eagle Mines Ltd	AEM.TO	2.20	1.40%	12.70	14-Mar-2025	28-Feb-2025
Metro Inc	MRU.TO	1.48	1.38%	10.87	27-May-2025	07-May-2025
George Weston Ltd	WN.TO	3.58	1.29%	8.07	01-Jul-2025	13-Jun-2025
Thomson Reuters Corp	TRI.TO	3.27	1.22%	9.71	10-Jun-2025	15-May-2025
Alimentation Couche-Tard Inc	ATD.TO	0.78	1.10%	23.56	10-Apr-2025	27-Mar-2025
Teck Resources Ltd	TECKb.TO	0.50	0.97%	18.73	30-Jun-2025	16-Jun-2025
Loblaw Companies Ltd	L.TO	2.26	0.97%	9.87	01-Jul-2025	13-Jun-2025
Franco-Nevada Corp	FNV.TO	2.09	0.92%	9.04	26-Jun-2025	12-Jun-2025
Kinross Gold Corp	K.TO	0.16	0.82%	--	12-Jun-2025	29-May-2025
Canadian Pacific Kansas City Ltd	CP.TO	0.91	0.81%	3.89	28-Jul-2025	27-Jun-2025
Wheaton Precious Metals Corp	WPM.TO	0.91	0.77%	12.78	10-Jun-2025	28-May-2025
Waste Connections Inc	WCN.TO	1.73	0.65%	13.55	22-May-2025	07-May-2025
FirstService Corp	FSV.TO	1.51	0.63%	12.05	08-Jul-2025	30-Jun-2025
Brookfield Corp	BN.TO	0.49	0.62%	(5.59)	30-Jun-2025	13-Jun-2025
WSP Global Inc	WSP.TO	1.50	0.53%	0.00	15-Jul-2025	30-Jun-2025
CGI Inc	GIBa.TO	0.60	0.41%	--	20-Jun-2025	16-May-2025
Dollarama Inc	DOL.TO	0.42	0.24%	15.06	09-May-2025	17-Apr-2025
Cameco Corp	CCO.TO	0.16	0.19%	13.55	13-Dec-2024	27-Nov-2024
Constellation Software Inc	CSU.TO	5.50	0.11%	5.78	11-Jul-2025	20-Jun-2025
First Quantum Minerals Ltd	FM.TO	0.00	0.00%	83.84	--	--
Shopify Inc	SHOP.TO	--		--	--	--
CAE Inc	CAE.TO	--	--	--	--	--

Source: Thomson Reuters

** Due to pace of changes to dividends, yield may not reflect rates in real-time.*

TOP US DIVIDENDS - $2B MARKET CAP MINIMUM

Includes special dividends and prior to any recent cuts over the last 12-month period.

Ticker	Name	Proj 12M Dvd Yld (%)	Market Cap ($)	Price ($)	Total Return YTD
MSTY US Equity	YIELDMAX MSTR OPTION IS ETF	87.07	4.49B	$20.27	22.23
BITO US Equity	PROSHARES BITCOIN ETF-USD	58.58	2.31B	$20.43	6.08
IEP US Equity	ICAHN ENTERPRISES LP	23.67	4.61B	$8.45	8.56
ZIM US Equity	ZIM INTEGRATED SHIPPING SERV	17.25	2.06B	$17.16	0.35
AGNC US Equity	AGNC INVESTMENT CORP	15.93	9.22B	$9.04	4.50
NLY US Equity	ANNALY CAPITAL MANAGEMENT IN	14.83	11.42B	$18.88	6.73
CALM US Equity	CAL-MAINE FOODS INC	14.61	5.10B	$95.67	-2.29
JEPQ US Equity	JPM NASDAQ EQUITY PREMIUM	14.23	26.33B	$52.34	-2.35
FSK US Equity	FS KKR CAPITAL CORP	13.31	5.89B	$21.04	0.17
TX US Equity	TERNIUM SA-SPONSORED ADR	12.62	5.71B	$28.52	4.27
BITX US Equity	2X BITCOIN STRATEGY ETF	12.61	2.69B	$49.72	-0.24
SPYI US Equity	NEOS S&P 500 HIGH INCOME ETF	12.33	3.72B	$49.26	1.98
XYLD US Equity	GLOBAL X S&P 500 COVE CALL E	12.14	3.03B	$38.48	-3.85
ABR US Equity	ARBOR REALTY TRUST INC	12.11	2.06B	$9.91	-23.83
QYLD US Equity	GLOBAL X NASD 100 COV CALL	12.01	8.33B	$16.48	-4.97
JEPI US Equity	JPMORGAN EQUITY PREMIUM INCO	11.62	39.82B	$55.77	0.57
BSM US Equity	BLACK STONE MINERALS LP	11.07	2.86B	$13.55	-2.23
ARLP US Equity	ALLIANCE RESOURCE PARTNERS	10.89	3.30B	$25.71	3.09
DKL US Equity	DELEK LOGISTICS PARTNERS LP	10.45	2.27B	$42.48	6.08
GBDC US Equity	GOLUB CAPITAL BDC INC	10.37	4.00B	$15.04	1.75
AMBP US Equity	ARDAGH METAL PACKAGING SA	10.20	2.34B	$3.92	38.80
OBDC US Equity	BLUE OWL CAPITAL CORP	10.19	7.42B	$14.53	-1.09
WU US Equity	WESTERN UNION CO	10.11	3.07B	$9.30	-10.33
BXMT US Equity	BLACKSTONE MORTGAGE TRU-CL A	9.99	3.22B	$18.82	10.64
PK US Equity	PARK HOTELS & RESORTS INC	9.98	2.00B	$10.02	-27.12
DOW US Equity	DOW INC	9.94	19.88B	$28.18	-26.68
LYB US Equity	LYONDELLBASELL INDU-CL A	9.86	17.86B	$55.60	-21.91
UWMC US Equity	UWM HOLDINGS CORP	9.73	6.57B	$4.11	-28.80
BXSL US Equity	BLACKSTONE SECURED LENDING F	9.69	7.24B	$31.77	0.67
WES US Equity	WESTERN MIDSTREAM PARTNERS L	9.66	14.33B	$37.68	2.67
STWD US Equity	STARWOOD PROPERTY TRUST INC	9.58	6.80B	$20.05	8.37
BKLN US Equity	INVESCO SENIOR LOAN ETF	9.48	6.73B	$20.86	2.05
HTGC US Equity	HERCULES CAPITAL INC	8.95	3.13B	$17.87	-6.61
RITM US Equity	RITHM CAPITAL CORP	8.92	5.94B	$11.21	5.77
PAA US Equity	PLAINS ALL AMER PIPELINE LP	8.90	12.01B	$17.08	4.24
KNG US Equity	FT VEST S&P 500 DVD ARST TRG	8.84	3.74B	$48.82	0.79
ARCC US Equity	ARES CAPITAL CORP	8.75	15.23B	$21.95	2.54
HR US Equity	HEALTHCARE REALTY TRUST INC	8.74	4.98B	$14.18	-13.03
TFSL US Equity	TFS FINANCIAL CORP	8.60	3.69B	$13.14	6.97
WHR US Equity	WHIRLPOOL CORP	8.53	4.56B	$82.07	-25.53
CCOI US Equity	COGENT COMMUNICATIONS HOLDIN	8.52	2.33B	$47.41	-36.20
WB US Equity	WEIBO CORP-SPON ADR	8.44	2.32B	$9.48	9.88
SQQQ US Equity	PROSHARES ULTRAPRO SHORT QQQ	8.39	3.12B	$22.99	-25.15
PAGP US Equity	PLAINS GP HOLDINGS LP-CL A	8.32	3.61B	$18.26	3.28
APLE US Equity	APPLE HOSPITALITY REIT INC	8.30	2.75B	$11.57	-22.30
TIGO US Equity	MILLICOM INTL CELLULAR S.A.	8.20	6.29B	$36.57	56.43
USAC US Equity	USA COMPRESSION PARTNERS LP	8.17	3.02B	$25.69	13.72
AMLP US Equity	ALERIAN MLP ETF	8.13	10.26B	$48.21	4.08
AB US Equity	ALLIANCEBERNSTEIN HOLDING LP	8.09	4.38B	$39.57	11.94
OMF US Equity	ONEMAIN HOLDINGS INC	8.02	6.17B	$51.89	3.58
STLA US Equity	STELLANTIS NV	7.99	27.88B	$9.68	-19.43
EWZ US Equity	ISHARES MSCI BRAZIL ETF	7.91	4.40B	$27.60	22.61
TSLX US Equity	SIXTH STREET SPECIALTY LENDI	7.90	2.18B	$23.29	12.27

CANADIAN MONEYSAVER SUGGESTED CANADIAN DIVIDEND REINVESTMENT PLANS (DRIPS)

Canadian MoneySaver SUGGESTED CANADIAN DIVIDEND REINVESTMENT PLANS (DRIPs)

TSX Companies	Symbol	52-Week		Closing Price	Div	Yield	EPS	P/E	Payout Ratio %	5-Yr Dividend Growth
		High	Low							
Agnico Eagle Mines	AEM	175.33	$86.66	$161.77	$2.20	1.36%	$8.41	19.2	26.2%	12.7%
BCE Inc	BCE	49.13	$28.73	$29.90	$1.75	5.85%	$2.74	10.9	64.0%	4.8%
Bk of Montreal	BMO	151.08	$109.02	$147.37	$6.52	4.42%	$11.40	12.9	57.2%	8.6%
Bk of Nova Scotia	BNS	80.14	$60.68	$73.43	$4.40	5.99%	$6.79	10.8	64.8%	4.0%
Canadian Tire	CTC.A	174.79	$131.31	$174.39	$7.10	4.07%	$12.82	13.6	55.4%	11.0%
Cdn Imperial Bk (CIBC)	CM	96.45	$64.63	$93.43	$3.88	4.15%	$8.20	11.4	47.3%	5.6%
Constellation Software	CSU	5300.00	$3,714.00	$4,975.76	$5.50	0.11%	$132.18	37.6	4.2%	0.0%
Emera	EMA	63.31	$44.13	$62.91	$2.90	4.61%	$3.39	18.6	85.5%	-0.7%
Exchange Income Corp	EIF	59.32	$43.08	$57.57	$2.64	4.59%	$3.60	16.00	73.4%	3.5%
Fortis	FTS	69.24	$52.19	$67.05	$2.46	3.67%	$3.42	19.62	72.0%	5.5%
Hydro One	H	53.98	$38.24	$50.53	$1.33	2.64%	$2.07	24.37	64.3%	5.4%
Imperial Oil	IMO	108.89	$82.98	$97.98	$2.88	2.94%	$7.67	12.77	37.5%	22.9%
Manulife	MFC	46.42	$32.87	$43.70	$1.76	4.03%	$4.07	10.73	43.2%	9.7%
National Bank	NA	141.15	$105.43	$135.07	$4.72	3.49%	$10.95	12.34	43.1%	10.2%
Royal Bank	RY	180.45	$140.53	$173.94	$6.16	3.54%	$13.31	13.07	46.3%	6.6%
Sun Life Financial	SLF	89.4	$64.38	$88.40	$3.52	3.98%	$7.35	12.03	47.9%	9.1%
Suncor Energy	SU	58.58	$43.59	$48.79	$2.28	4.67%	$3.77	12.94	60.5%	5.6%
Superior Plus	SPB	9.44	$5.15	$7.79	$0.18	2.31%	$0.65	12.00	27.7%	-4.1%
TD Bank	TD	95.1	$73.22	$94.77	$4.20	4.43%	$7.98	11.88	52.6%	7.1%
Telus	T	23.43	$19.10	$22.48	$1.67	7.41%	$1.06	21.30	157.8%	6.7%
TransCanada Corp	TRP	70.97	$46.08	$69.54	$3.40	4.89%	$3.60	19.30	94.4%	4.7%
WSP Global	WSP	284.15	$201.24	$281.21	$1.50	0.53%	$9.33	30.15	16.1%	0.0%

CHART NOTES - Prices as of June 1, 2025. Source: TD Waterhouse/Bloomberg LP. Stock prices change daily. Check for current prices. These Canadian companies listed on the TSX are our recommended companies a DRIP. With the DRIP, you can reinvest all your dividends to purchase additional shares at no cost. Some DRIPS offer a discount so that additional shares are bought at a discount to the average market price. Some dividends are paid in US dollars and we have adjusted numbers and ratios according to recent exchange rates.

Div. 5yr gr: We have added the five-year dividend growth rate to our chart, information obtained from Bloomberg LP.

Earnings are forward earnings estimates.

Yield = Dividend divided by current price. Payout ratio = dividend divided by earnings per share (EPS). The dividend payout ratio is simply calculated by dividing the company's dividend by its forward (estimated) earnings. If a company with a low payment ratio experiences an earnings decline, it may continue to pay the same dividend. Or, at least, it may weather the downturn without cutting the dividend. A high dividend payout ratio of 100% indicates that the dividend payout is equal or above the company's earnings. Therefore, one should be very vigilant and place the stock on your "watch" list.

Calculation for interest equivalent of dividend yield for eligible shares: (100 - marginal rate for dividends) divided by (100 - marginal tax rate on regular income). For example, an Ontario taxpayer with ordinary income of $65,514 uses: (100 – 11.72) divided by (100 – 31.15) is approximately 1.2822. Therefore, a stock with a Canadian dividend yield of 5.0% has an equivalent interest return of 5.0 x 1.2822, which is approximately 6.41%.

TOP EXCHANGE TRADED FUNDS RANKED BY FIVE-YEAR RETURNS AS OF JUNE 2, 2025

Specialty ETFs

Fund Name	Ticker	Mkt Tot Ret 1 Mo (Current) (%)	Mkt Tot Ret 3 Mo (Current) (%)	Mkt Tot Ret 12 Mo (Current) (%)	Mkt Tot Ret 3 Yr (Current) (%)	Mkt Tot Ret 5 Yr (Current) (%)	Mkt Tot Return Since Incept (Current) (%)
BetaPro S&P/TSX Cap Engy 2xDlyBull ETF	NRGU	11.45	-10.23	-33.23	-10.58	47.49	-15.12
BetaPro S&P/TSX Cap Fncl 2xDlyBull ETF	CFOU	13.30	5.81	58.02	18.57	33.33	-
Global X Canadian Oil &GasEqCovCllETF	ENCC	4.46	0.00	1.92	4.18	32.39	-1.71
Global X Uranium ETF	HURA	26.98	16.70	-13.59	19.35	31.01	-
Global X S&P/TSX Capped Energy CorpClETF	HXE	5.97	-2.70	-12.19	1.63	30.78	-
iShares S&P/TSX Capped Energy ETF	XEG	5.93	-2.78	-12.76	1.46	30.73	6.05
Global X Big Data & Hrdwr ETF	HBGD	16.47	4.46	14.10	19.74	30.58	-
BMO Equal Weight Oil & Gas ETF	ZEO	4.69	-0.33	2.83	5.63	25.36	3.61
BetaPro NASDAQ-100® 2x Daily Bull ETF	QQU	18.17	-1.00	15.42	24.87	23.55	-
BetaPro S&P/TSX 60 2x Daily Bull ETF	CNDU	10.23	3.90	35.33	13.97	23.54	7.37
CI Japan Equity ETF Hdg	JAPN	4.06	4.18	4.57	24.66	23.14	-
BetaPro S&P 500® 2x Daily Bull ETF	SPXU	11.84	-5.34	13.19	16.17	21.67	-
iShares Equal Weight Banc&Lfco ETF Comm	CEW	6.74	5.25	33.63	15.77	21.08	9.93
Desjardins RI Can MF Net-Zero Emissions	DRFC	5.41	4.64	27.64	14.40	20.39	-
BMO MSCI India Selection Equity Idx ETF	ZID	0.14	8.55	5.81	11.87	19.85	9.26
iShares Global Infrastructure ETF Comm	CIF	7.44	5.08	20.21	16.70	19.81	8.50
CI Global Financial Sect ETF	FSF	5.12	-2.54	24.17	15.54	19.70	-
First Trust NASDAQ Cybersecurity ETF	CIBR	7.41	3.14	35.46	22.42	19.55	-
iShares Japan Fundamental ETF CADH Comm	CJP	3.99	3.77	4.08	21.17	19.55	3.42
Global XS&P/TSXCappedFinancialsCorpClETF	HXF	6.64	4.29	31.69	13.33	19.41	-
CI Mstar CAD Value ETF Comm	FXM	7.94	7.52	25.19	10.54	19.06	-
iShares Canadian Value ETF	XCV	4.52	5.15	22.75	9.79	19.04	7.56
iShares S&P/TSX Capped Financials ETF	XFN	6.52	4.09	29.94	13.07	18.95	10.07
Global X Eq WeightCanadianBanksCorpClETF	HEWB	8.27	6.46	28.15	9.80	18.84	-
BMO Equal Weight Banks ETF	ZEB	8.29	6.14	27.38	9.79	18.83	11.34
iShares S&P/TSX Global Base Metals ETF	XBM	5.24	-3.25	-18.72	-1.23	18.70	2.22
BMO Equal Weight Glbl BM Hdgd to CAD ETF	ZMT	11.06	5.90	-0.85	8.09	18.59	0.99
Picton Mahoney Fortified ActV Ex Alt ETF	PFAE	6.65	4.62	22.15	14.58	18.57	-
Invesco RAFI Canadian ETF	PXC	4.94	3.65	20.27	10.35	18.56	9.48
TD Q Canadian Dividend ETF	TQCD	6.50	7.26	29.45	14.38	18.44	-
Harvest Tech Achievers Gr&Inc ETF B UnH	HTA.B	6.82	-5.86	10.63	20.29	18.42	-
iShares Canadian Fundamental ETF Comm	CRQ	5.34	3.44	20.28	9.98	18.38	7.67
Global X Equal Weight Cndn Pplns Idx ETF	PPLN	-0.36	-1.12	7.51	7.21	18.35	-
Harvest Tech Achievers Gr&Inc ETF USD	HTA.U	7.98	-0.97	10.83	17.71	18.35	-
RBC CA Bank Yield ETF	RBNK	7.88	6.21	29.91	9.04	18.27	9.90
Brompton Tech Leaders Inc ETF	TLF.U	9.79	-0.15	12.80	20.68	18.23	-
CI MstarIntlValETF CADHComm	VXM	5.92	11.11	16.47	20.39	18.18	8.94
TD Global Technology Leaders ETF	TEC	10.10	-2.53	19.55	24.46	18.12	19.99
Blockchain Technologies ETF	HBLK	11.19	-5.33	8.92	8.00	17.98	-

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