

ETF Managed Portfolios

ETF Growth

Quick facts

Inception date:
January 31, 2017

Asset class:
Income
Equity: 80%
Fixed Income: 20%

Minimum investment:
\$50,000¹

Number of ETF holdings:
5

Portfolio risk:

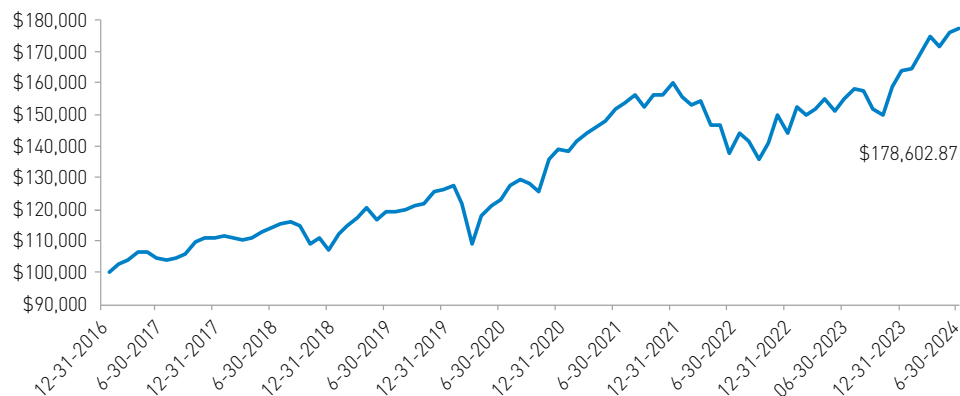
Medium

What does the Portfolio invest in?

The ETF Managed Portfolios provide clients with a wide range of exposure across asset classes, geographies, industries, and sectors. Using various ETF issuers further ensures the unbiased selection and added diversification of each holding. The Balanced Portfolio places equal emphasis on regular income and capital appreciation.

Performance

(Gross of ETF Managed Portfolios fees)



	QTD	YTD	1 yr	3 yr	5 yr	Since inception (annualized)
Portfolio	1.5%	8.4%	14.8%	5.4%	8.4%	8.1%

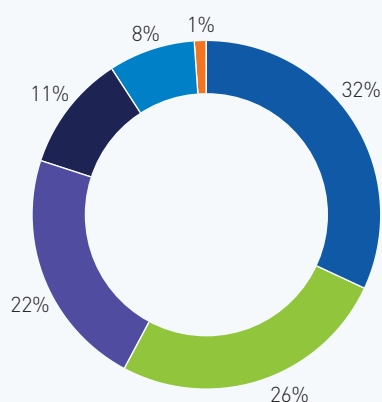
Standard deviation 10.5%
Sharpe ratio 0.68

Suitable for investors who can tolerate market fluctuation in order to realize more growth over the long term.

Holdings

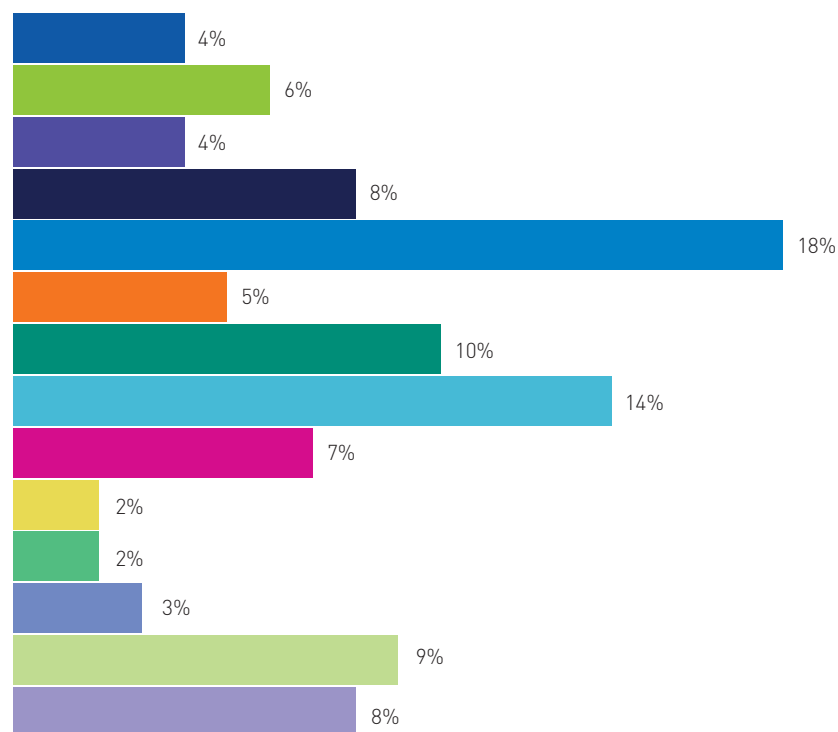
Ticker	ETF	Target
ITOT	iShares Core S&P Total U.S. Stock Market ETF	26.0%
IXUS	iShares Core MSCI Total International Stock ETF	22.0%
VAB	Vanguard Canadian Aggregate Bond Index ETF	11.4%
VCN	Vanguard FTSE Canada All Cap Index ETF Vanguard	32.0%
VBU	Vanguard U.S. Aggregate Bond Index ETF	7.6%
	Cash	1.0%

Asset allocation



- Canadian equities
- US equities
- International equities
- Canadian bonds
- Foreign bonds
- Cash

Sector allocation



- Communication services
- Consumer discretionary
- Consumer staples
- Energy
- Financials
- Healthcare
- Industrials
- Information technology
- Materials
- Real estate
- Utilities
- Canadian corporate bonds
- Canadian government bonds
- Foreign bonds

Portfolio attributes

Weighted average MER	Number of ETF Holding	Number of constituents	Portfolio yield	Average credit rating	Modified duration (fixed income only)
0.07%	5	2,619	2.52%	AA-	6.70%

Quarterly commentary

Global Equity Markets

Global equity markets advanced, as measured by the MSCI All-Country World Index, driven by robust corporate earnings, easing inflation concerns, and resilient economic data from major economies. Excluding the US, global markets showed slower growth in Europe and Asia. The best-performing equity market globally was the international emerging market region, buoyed by strong performances in Taiwan, India, and South Africa. Conversely, the Canadian market was the worst performer, impacted by weaker oil prices and a slowing domestic economy. In Canadian dollar terms, the MSCI EM NR Index (CAD) led, while the S&P/TSX Composite TR Index remained the weakest due to sector-specific challenges.

Canada Equities

Within Canada, the S&P/TSX Composite TR Index declined, primarily due to underperformance in the Information Technology, Real Estate, and Health Care sectors. The Information Technology sector faced competitive pressures and shifting consumer preferences. The S&P/TSX SmallCap Index outperformed the S&P/TSX 60 TR Index, as smaller companies benefited from domestic-focused economic activity. The best-performing sectors in Canada were Materials, Consumer Staples, and Energy, driven by rising metal prices and strong demand.

USA Equities

In the US, the S&P 500 Total Return Index advanced, supported by positive economic data and strong corporate earnings. However, the market exhibited narrow breadth, with a large portion of the gains driven by a few mega-cap technology stocks. Notably, NVIDIA and Apple significantly contributed to the index's performance, reflecting their strong earnings reports and optimistic outlooks in the AI and consumer electronics sectors. NVIDIA's growth was particularly driven by its advancements in AI technology and data center demand, while Apple's performance was bolstered by growth in its services revenue. The NASDAQ Composite TR Index outperformed the Dow Jones Industrial Average TR Index, reflecting investor preference for growth and technology stocks. The larger-cap S&P 500 TR Index outperformed the smaller-cap Russell 2000 TR Index, indicating investor confidence in established, larger companies. The best performing sectors were Information Technology, Communication Services, and Utilities, while Energy, Industrials, and Materials sectors lagged due to fluctuating commodity prices and supply chain challenges.

International Equities

Within the EAFE (Europe, Australasia, and the Far East) regions, Denmark, Singapore, and Portugal led the performance, benefiting

from relatively strong economic fundamentals. Denmark's market was driven by its pharmaceutical sector, while Singapore benefited from robust trade and financial services. Israel, Italy, and France were the worst performers, impacted by political uncertainties and weaker economic data. In emerging markets, Taiwan, India, and South Africa were the top-performing regions, driven by robust technology exports, economic reforms, and favorable commodity prices. Conversely, Indonesia, Brazil, and Mexico were the weakest, suffering from political instability, inflationary pressures, and currency volatility.

Global Factors

Among global factor indices, the MSCI World Quality Index performed the best, as investors sought companies with strong balance sheets and stable earnings. This performance was driven by investor flight to quality amidst economic uncertainties and market volatility. The MSCI World Value Index was the worst, as value stocks lagged in a growth-driven market environment. Growth stocks outperformed value stocks, reflecting investor preference for companies with higher earnings potential, especially in the technology and healthcare sectors.

Global Bond Markets

In the global bond market, the Bloomberg Canada Aggregate Index was the best-performing broad aggregate index, as declining yields and stable credit conditions supported bond prices. The Bloomberg Global Aggregate ex-US Index was the weakest, due to rising interest rates and weaker performance in international bonds. The Bloomberg Global High Yield Index led in terms of issuer type, supported by investor demand for higher yields, while the Bloomberg Global Government Index lagged, impacted by rising government bond yields globally.

Canadian Bond Market

In Canada, the Bloomberg Canada Corporate Index was the best performer, driven by strong corporate earnings and stable credit conditions. The Bloomberg Canada High Yield Bond Index was the weakest, as higher-risk bonds faced investor caution. Short-term bonds outperformed long-term bonds, as investors favored shorter durations amid interest rate uncertainty. Canadian government bond yields generally declined, with the yield curve remaining inverted, indicating investor concerns over near-term economic prospects.

US Bonds and Currencies

In the US, government bond yields generally advanced, reflecting concerns over persistent inflation and strong economic data suggesting resilient consumer spending and job growth. The yield curve remains inverted, indicating concerns over short-term

Quarterly commentary continued

economic stability. The Canadian dollar weakened against the US dollar, influenced by weaker commodity prices and a stronger US economic outlook. The US dollar appreciated broadly against major global currencies, performing strongest against the Brazilian Real, Mexican Peso, and Japanese Yen, due to higher interest rate expectations and economic resilience, and weakest against the Swiss Franc, Euro, and South African Rand.

Energy

In energy markets, WTI crude oil prices declined, and Brent crude prices also fell, amid concerns over global demand and higher inventory levels. Weakening economic data from China and expectations of slower global growth weighed on oil prices, despite OPEC+ production cuts aimed at stabilizing the market. Rising inventory levels, particularly in the US, also exerted downward pressure on prices as supply outpaced demand. Gas prices advanced significantly, driven by supply disruptions and higher demand.

Metals

In the precious metals market, gold prices increased, silver prices surged, and platinum prices advanced, supported by safe-haven demand amid economic uncertainties and inflation concerns. In base metals, Zinc was the best performer, driven by supply constraints and strong industrial demand. Major zinc producers reduced supply in response to earlier price weaknesses, which, combined with industrial demand, supported higher prices. Nickel was the weakest, impacted by an oversupply driven by increased production, especially from Indonesia, and subdued demand from the stainless-steel sector.

Agriculture

Agricultural commodity prices generally declined, with Coffee, Soybean Meal, and Feeder Cattle showing the strongest price movements, supported by supply concerns and higher demand. Coffee prices were influenced by supply disruptions in key producing regions. Corn, Cocoa, and Cotton were the worst performers, affected by favorable weather conditions and increased production. Specifically, Cocoa prices exhibited significant volatility this year, reflecting supply chain disruptions alongside adverse weather conditions in West Africa. Agricultural commodities, essential raw materials for various industries, play a crucial role in the global economy, with their prices subject to supply and demand dynamics, weather conditions, and geopolitical factors.

Investment process and selection criteria

- A global multi-asset strategy that seeks to mitigate risks for investors by gaining broad-based diversification through investing in highly liquid Exchange Traded Funds (ETF)
- The criteria used for the selection of each ETF in the ETF Managed Portfolios is extensive and robust, taking into consideration factors such as ETF construction methodology, management fees, issuer reputation, trading spreads, market making, currency hedging, and taxation

Management style

Multi-asset indexed

¹ Minimum Investment is \$50,000 or \$5,000 provided that the client has a separate Managed Portfolios account with at least \$50,000 invested.

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