

# WP

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# HOT LIST 2021

**50 leaders who helped the Canadian investment industry navigate a tumultuous year**

## **CAPITALIZING ON CRYPTOCURRENCY**

The lowdown on the investment product of the moment: Bitcoin ETFs

## **5-STAR ADVISORS AND TOP TEAMS**

WP checked in with investors to find out which advisors and teams provide the best service

## **SUSTAINABLE INVESTMENTS**

New funds that offer exposure to green bonds and clean energy

## HOT LIST

**MICHAEL KOVACS**

President and CEO

**HARVEST PORTFOLIOS**

Under the guidance of Michael Kovacs, Harvest Portfolios continues to expand and bring innovative products to market. Harvest saw its AUM grow by 39.3% in 2020, bringing it past the \$1 billion mark, and the company's blockchain ETF (HBLK) was one of the five best-performing ETFs (YTD) to begin 2021.

Harvest has also launched some unique offerings in 2021. Positioned to capitalize on the post-pandemic travel rebound, the Harvest Travel & Leisure Index ETF (TRVL) is the world's first truly diversified travel fund across five sub-sectors: airlines, cruise companies, booking sites, resorts and casinos, and hotels. Harvest also rolled out one of Canada's first clean energy ETFs (HCLN), as well as a Space Innovation Index ETF (ORBT) that will benefit from the burgeoning growth and development in space innovation, exploration, tourism and infrastructure.

**KURT MACALPINE**

CEO

**CI FINANCIAL**

Since becoming the CEO of CI Financial in 2019, Kurt MacAlpine has led the organization through a period of rapid acquisition and growth. MacAlpine joined the company when it acquired WisdomTree Asset Management Canada, which has now been folded into the rebranded CI Global Asset Management. CI GAM has been climbing the ladder in terms of ETF assets and now ranks fifth in Canada with \$11.7 billion. It's also been leading the way in innovation, launching the CI Galaxy Bitcoin ETF (BTCX) in March and the CI Galaxy Ethereum ETF (ETHX) in April. It seems CI has no plans to slow down on the M&A front, either – the company acquired 12 US-based registered investment advisors in 2020, along with the Canadian advisor network Aligned Capital Partners.

**LOUIS VACHON**

President and CEO

**NATIONAL BANK**

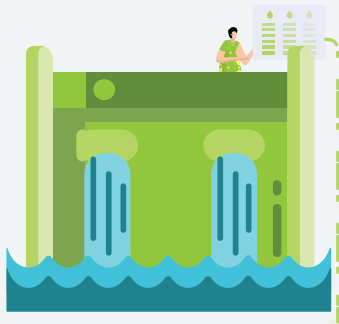
Under the leadership of Louis Vachon, National Bank continues to build its presence in Canada beyond its Quebec stronghold. National Bank Investment (NBI) also continues to grow, especially in the ETF domain, where it's now ranked 10th in total assets with \$3.3 billion. NBI was recognized with six FundGrade A+ Awards and a Lipper Award in 2020. On the advisory side, National Bank Financial won gold for Employer of Choice at the 2020 Wealth Professional Awards.

**TANYA ROWNTREE**Global head of client success, equity capital market  
Co-chair**TMX GROUP  
WOMEN IN ETFs**

Tanya Rowntree earns a place on this year's WP Hot List not only for her work at TMX, but also for her involvement in Women in ETFs, where she has been co-chair since 2016. In 2020, she was joined by her sister, Tammy Cash, as the other co-chair for the organization, which is the first women's group for the ETF industry. Founded in 2014, Women in ETFs brings together more than 5,600 members in chapters in major financial centres across the US, Canada, EMEA and Asia-Pacific to connect, support and inspire women in the ETF Industry.

# HARVEST CLEAN ENERGY ETF

## WATER



## WIND



## SOLAR



*The future is Clean*



### LONG TERM GROWTH

Gain exposure to leading  
clean energy companies



### SOCIAL DEMAND

Participate in the renewable  
energy transition



### INVESTMENTS IN RENEWABLES

Long term costs more  
attractive vs finite resources

## HEAD OFFICE

610 Chartwell Rd, Suite 204,  
Oakville, ON L6J 4A5

[HarvestETFs.com](https://www.HarvestETFs.com)

1.866.998.8298

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## ENERGY

# Coming clean

By using an equal weighting and focusing on both clean power generation and equipment, **Harvest Portfolios** has devised a unique approach to clean energy exposure

**SOCIETY HAS** clearly recognized the importance of making changes to reduce greenhouse gas emissions. While the movement toward renewable energy has already been occurring in other parts of the world, the latest US election has it primed for even more acceleration.

That paradigm shift is the basis for one of Harvest Portfolios' latest offerings, the Harvest Clean Energy ETF (HCLN), a basket of the 40 largest clean energy issuers selected from the Clean Energy Investable Universe. The ETF, which was launched on January

companies, specifically those in renewable energy power generation and companies that provide the equipment for that renewable energy power generation."

HCLN also takes a different approach by forgoing some of the broader categories like electric vehicles, LED lightbulbs and building efficiency companies. That narrow focus is intentional, as it allows Harvest to zero in on a targeted area. Securities for the ETF are selected from the Clean Energy Investable Universe and based on market capitalization.

"We start out by identifying securities



**"We have nearly every country in the world moving toward a reduction of greenhouse gas emissions, and that will boost many clean energy investments"**

**Mike Dragosits, Harvest Portfolios**

14, is equally weighted and designed to give exposure to both clean energy generation and equipment suppliers in the space.

"We wanted to have a product that helps by targeting investment into those companies, especially those on the forefront of what we think is a long-term, secular mega-trend," says Mike Dragosits, portfolio manager at Harvest Portfolios. "We think this is the first clean energy fund in Canada dedicated to a pure-play universe of clean energy

listed on major developed country exchanges in North America, Europe and Asia," Dragosits explains. "Then we focus on the two categories: renewable power generation and renewable equipment services companies. For any company to get in those categories, they need to have a majority of their business derived from renewable energy. From there, we sort based on market cap from largest to smallest and take the 40 largest companies. The fund is rebalanced and reconstituted



every six months. That is when we look at the investable universe, sort, make any changes and rebalance to an equal weighting."

Dragosits believes the entire clean energy space is an opportunity right now, especially as it looks like there will be more traction from the US now that the Biden administration has rejoined the Paris Agreement. In addition, he notes, the cost of renewable energy sources is decreasing, making options like wind and solar competitive with traditional fossil fuel sources.

"We think there will be considerable growth in renewable power generation, in particular from solar and wind," he says, "and we think most renewable power generation will be the dominant fuel source for world power generation in the very near term and continued through the medium and long term."

While solar, wind and hydroelectric are the biggest renewable power generators at the moment, Dragosits does see others that could soon be on the rise, including geothermal,



biomass, biofuels and hydrogen fuel technology. He also notes that it's now more cost-effective not only to produce renewable energy, but also to store it, as there are enhanced battery storage capabilities that are less expensive.

"It is an area trending in the right direction, not something that will go away," he says. "Investors see the need for ESG and socially responsible types of investing. This product fits into that environment side. Everyone sees a need to make some changes, and we think this product is a way for investors to back the companies that are helping to achieve those goals and targets for society. I think having a product like this matches what we think our societal desires are and what we think will be an increased demand from investors."

Already, the clean energy space has had a remarkable finish to 2020 and start to 2021. While it has seen ebbs and flows, Dragosits sees an overall trajectory of growth.

"Taking a step back and seeing what the

big picture tells us, we have nearly every country in the world moving toward a reduction of greenhouse gas emissions, and that will boost many clean energy investments," he says. "We think a diversified basket of 40 stocks in the space should capture and ride the wave of the secular mega-trend that will only continue higher."

While the market has seen a number of new ESG products recently, there are a few reasons why Dragosits believes HCLN is unique.

"Some of the other products out there are market-cap-weighted and can get a bit concentrated in the larger names," he says. "This space has some big companies, but there is a broad depth of names beyond those few. I think our equal weighting is something we haven't really seen with other products. It gives us a broader exposure to a bigger net of companies in the clean energy space. Our focus on the renewable power generation and equipment really highlights the pure play on clean energy."

## HCLN'S SUB-SECTOR ALLOCATION



- Renewable power generation: **50%**
- Solar equipment and services: **27%**
- Hydrogen and fuel cell equipment: **11%**
- Battery and energy storage equipment: **6%**
- Wind equipment and services: **5%**
- Cash, other assets and liabilities: **1%**

Source: Harvest Portfolios, as at March 31, 2021

Dragosits also points to the fact that the fund is currently split 50/50 between power generation and equipment, which he feels gives it another unique edge. And he believes that if clients aren't already thinking about investing in renewable energy, they likely will be soon – so HCLN provides an opportunity to get in on an ongoing trend.

"I think our product is an easy way to access that mega-trend, get it in a diversified basket of equally weighted names focused on that purely clean energy story and in a low-cost way," he says. **WP**