

Cooper says one of the big benefactors of the new partnership will be TDAM's One-Click ETF Portfolios, which were released last August. He feels their three risk profiles (conservative, moderate and aggressive) will resonate with most investors, and he expects them to generate strong interest from users of the TD GoalAssist app because they're a simple alternative to building a portfolio.

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“We're extremely excited about the One-Click Portfolios and the role they can play in helping clients accomplish their goals,” he says. “We launched three, and most clients will see themselves in one of those profiles. They have simple asset class construction, so we should see some uptake. We do also expect people to use the app who want to do things themselves and avail themselves of the full product lineup.”

TDAM currently offers 34 ETFs as of the end of November, up from 12 in mid-2019. “The breadth of our lineup will continue to be on the platform, and as we launch new ETFs, they will find a place in TD GoalAssist,” Cooper says. “A couple years ago, I said we'd go for 30 to 40 ETFs, but we will continue to launch products. ESG, for example, is becoming popular with many clients, and we are excited about launching some products in that area.”



**Mike Clare**  
Vice-president and  
portfolio manager  
**BROMPTON FUNDS**

**Years in the industry**  
17

**Fast fact**  
Brompton Tech Leaders Income ETF (TLF) is the top-performing actively managed (“non-index”) ETF in Canada over five years with a 23.5% per annum total return to December 31, 2020, according to Morningstar Direct

## ■ Q&A

# A tech sector leader

### ● What has made your Brompton Tech Leaders Income ETF (TLF) so successful over the past five years?

First, the tech sector has been strong as businesses and governments continue to go through a multi-year digital transformation, which has increased the demand for technology. Second, our active management approach has allowed us to capitalize on this trend, as we have focused the portfolio on leading companies with exposure to key themes in tech. At the same time, we have remained nimble in response to the ever-changing nature of technology. Third, we have been able to identify key companies beyond the FAANGs with dominant market positions in key growth markets. Last, our covered call program has provided reduced portfolio volatility and enhanced distributions for investors.

### ● How much of an impact has the past year had on both the fund and tech investments in general?

The pandemic has rapidly changed the way we live and work. However, we believe that many of these changes are an acceleration of existing trends, such as remote work and online shopping, which means they are here to stay. The result is that the digital transformation that businesses have been going through has advanced five to 10 years into the future, and this has accelerated the demand for technology products and services. This, in turn, has increased the demand for things like semiconductors and hardware that support these industries.

### ● What are the advantages to having a covered call option program on a sector like tech?

Two potential drawbacks for investors who invest in the tech sector are that the sector typically exhibits higher volatility than the overall market and that the companies in the sector generally have below-average dividend yields. A covered call program addresses both drawbacks. When we write call options on the underlying portfolio holdings, we are harnessing some of that volatility and using the option premiums we receive to supplement the portfolio's cash flow and pay out higher distributions to investors.

### ● What are some of the ways you approach the tech sector for this fund?

The first thing we do is approach the tech sector more broadly than how it is commonly defined by various industry classification standards. Under these standards, the tech sector excludes companies that are often commonly viewed as tech stocks, like Amazon, Alphabet, Facebook, Netflix and many others. We use a much broader definition of the tech sector that includes these companies and gives us the best opportunity to structure a portfolio that is exposed to the key themes driving the tech market.

The second thing we do is spend a lot of time identifying the key themes in the tech sector that are benefiting from secular tailwinds and the companies that have dominant market positions with exposure to those themes.

