

# Expanded ETF Universe for Gayed's Market Regime Signals

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## 1. Utilities/S&P 500 Beta Rotation Signal

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### Risk-Off (Utilities Leadership) - Defensive Options

**US Utilities ETFs:** - **XLU** - Utilities Select Sector SPDR Fund (Original recommendation)  
- Expense Ratio: 0.13% - AUM: ~\$15B - Holdings: Large-cap US utilities

- **VPU** - Vanguard Utilities ETF
- Expense Ratio: 0.10%
- AUM: ~\$5B
- Rationale: Lower fees than XLU, broader utility exposure
- **FUTY** - Fidelity MSCI Utilities Index ETF
- Expense Ratio: 0.08%
- Rationale: Lowest cost option, good liquidity
- **IDU** - iShares US Utilities ETF
- Expense Ratio: 0.42%
- Rationale: Alternative index methodology

**Global/Canadian Utilities ETFs:** - **JXI** - iShares Global Utilities ETF - Expense Ratio: 0.46% - Rationale: International diversification, reduces US-specific risk

- **XUT** - iShares S&P/TSX Capped Utilities Index ETF (Canada)
- Expense Ratio: 0.61%
- Currency: CAD

- Rationale: Canadian utilities exposure for Canadian investors
- **UTIL** - Global X Equal Weight Canadian Utilities Index ETF
- Expense Ratio: 0.50%
- Currency: CAD
- Rationale: Equal-weight methodology, dividend focus
- **HUTL** - Harvest Equal Weight Global Utilities Income ETF
- Currency: CAD
- Rationale: Global utilities with covered call strategy for income

## Risk-On (Equity Leadership) - Aggressive Options

**US Broad Market ETFs:** - **SPY** - SPDR S&P 500 ETF (Original recommendation) - **VTI** - Vanguard Total Stock Market ETF - Expense Ratio: 0.03% - Rationale: Broader market exposure including small/mid-cap

- **IVV** - iShares Core S&P 500 ETF
- Expense Ratio: 0.03%
- Rationale: Lower cost alternative to SPY

**Canadian Alternatives for Canadian Investors:** - **VFV** - Vanguard S&P 500 Index ETF (CAD) - Expense Ratio: 0.09% - Currency: CAD - Rationale: No currency conversion needed, tracks SPY

- **TDB902** - TD US Index Fund
- Expense Ratio: 0.51%
- Rationale: Mutual fund alternative, no withholding tax in RRSP

## 2. Lumber/Gold Ratio Signal

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### Risk-Off (Gold Leadership) - Defensive Options

**Physical Gold ETFs:** - **GLD** - SPDR Gold Shares (Original recommendation) - Expense Ratio: 0.40% - AUM: ~\$60B

- **IAU** - iShares Gold Trust (Original recommendation)
- Expense Ratio: 0.25%
- Rationale: Lower fees than GLD, good liquidity
- **GLDM** - SPDR Gold MiniShares
- Expense Ratio: 0.10%
- Rationale: Lowest cost gold ETF, smaller share price
- **SGOL** - abrdn Physical Gold Shares ETF
- Expense Ratio: 0.17%
- Rationale: Alternative storage methodology

**Gold Mining ETFs:** - **GDX** - VanEck Gold Miners ETF - Expense Ratio: 0.51% - Rationale: Leveraged exposure to gold price movements

- **GDXJ** - VanEck Junior Gold Miners ETF
- Expense Ratio: 0.54%
- Rationale: Higher beta exposure to gold trends

**Canadian Gold Options:** - **CGL** - iShares Gold Bullion ETF (CAD) - Currency: CAD - Rationale: Canadian-listed physical gold exposure

## **Risk-On (Lumber Leadership) - Cyclical Options**

**Timber/Forestry ETFs:** - **WOOD** - iShares Global Timber & Forestry ETF (Original recommendation) - Expense Ratio: 0.46% - AUM: ~\$1B

- **CUT** - Invesco MSCI Global Timber ETF
- Expense Ratio: 0.61%
- Rationale: Alternative global timber exposure

**Construction/Materials ETFs:** - **XLB** - Materials Select Sector SPDR Fund - Expense Ratio: 0.13% - Rationale: Broader materials exposure including lumber-related companies

- **VAW** - Vanguard Materials ETF

- Expense Ratio: 0.10%
- Rationale: Lower cost materials exposure
- **NAIL** - Direxion Daily Homebuilders & Supplies Bull 3X ETF
- Expense Ratio: 0.95%
- Rationale: Leveraged exposure to housing/construction sector

**Individual Lumber/Construction Stocks:** - **LPX** - Louisiana-Pacific Corporation - Rationale: Direct lumber exposure - **WY** - Weyerhaeuser Company - Rationale: Timber REIT with lumber operations - **BCC** - Boise Cascade Company - Rationale: Building materials and lumber

### 3. Treasury Duration Signal (10yr vs 30yr)

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#### Risk-Off (30yr Leadership) - Long Duration

**Long-Duration Treasury ETFs:** - **TLT** - iShares 20+ Year Treasury Bond ETF - Expense Ratio: 0.15% - AUM: ~\$50B - Rationale: Most liquid long-duration Treasury ETF

- **SPTL** - SPDR Portfolio Long Term Treasury ETF
- Expense Ratio: 0.06%
- Rationale: Lower cost alternative to TLT
- **SCHZ** - Schwab Long-Term US Treasury ETF
- Expense Ratio: 0.05%
- Rationale: Lowest cost long-duration option

#### Risk-On (10yr Leadership) - Intermediate Duration

**Intermediate Treasury ETFs:** - **IEF** - iShares 7-10 Year Treasury Bond ETF - Expense Ratio: 0.15% - AUM: ~\$35B

- **VGIT** - Vanguard Intermediate-Term Treasury ETF
- Expense Ratio: 0.05%

- Rationale: Lower cost alternative to IEF
- **GOVT** - iShares U.S. Treasury Bond ETF (Original recommendation)
- Expense Ratio: 0.15%
- Rationale: Broader Treasury exposure across maturities

## 4. S&P 500 200-Day Moving Average Signal

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### Risk-On (Above MA) - Leveraged Options

**Leveraged S&P 500 ETFs:** - **SSO** - ProShares Ultra S&P 500 (2x) (Original recommendation) - Expense Ratio: 0.89% - Rationale: 2x daily leverage to S&P 500

- **UPRO** - ProShares UltraPro S&P 500 (3x)
- Expense Ratio: 0.92%
- Rationale: Higher leverage for more aggressive positioning
- **SPXL** - Direxion Daily S&P 500 Bull 3X Shares
- Expense Ratio: 0.95%
- Rationale: Alternative 3x leveraged option

### Risk-Off (Below MA) - Cash/Safe Assets

**Treasury Bills/Cash ETFs:** - **SHY** - iShares 1-3 Year Treasury Bond ETF - Expense Ratio: 0.15% - Rationale: Short-duration, cash-like exposure

- **BIL** - SPDR Bloomberg 1-3 Month T-Bill ETF
- Expense Ratio: 0.14%
- Rationale: Very short-duration Treasury bills

## 5. VIX-Based Sector Allocation

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### Low VIX (Defensive Positioning)

**Low Volatility ETFs:** - **SPLV** - Invesco S&P 500 Low Volatility ETF (Original recommendation) - Expense Ratio: 0.25% - Methodology: 100 least volatile S&P 500 stocks

- **USMV** - iShares MSCI USA Min Vol Factor ETF
- Expense Ratio: 0.15%
- Rationale: Optimizer-based minimum volatility approach
- **VMOT** - Vanguard Multifactor ETF
- Expense Ratio: 0.18%
- Rationale: Multi-factor approach including low volatility

### High VIX (Cyclical Positioning)

**High Beta ETFs:** - **SPHB** - Invesco S&P 500 High Beta ETF (Original recommendation) - Expense Ratio: 0.25% - Methodology: 100 highest beta S&P 500 stocks

- **MTUM** - iShares MSCI USA Momentum Factor ETF
- Expense Ratio: 0.15%
- Rationale: Momentum factor exposure during volatility spikes

## Canadian Investor Considerations

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### Currency Hedging Options

- **VSP** - Vanguard S&P 500 Index ETF (CAD Hedged)
- **XSP** - iShares Core S&P 500 Index ETF (CAD Hedged)

## Tax Efficiency

- Use Canadian-listed ETFs in taxable accounts to avoid withholding tax
- US-listed ETFs in RRSP accounts benefit from tax treaty
- Consider swap-based ETFs for tax efficiency in taxable accounts

## Broker Considerations for Canadians

- **Interactive Brokers Canada:** Access to US and Canadian markets
- **Questrade:** Commission-free ETF purchases
- **Wealthsimple Trade:** Commission-free Canadian ETFs
- **TD Direct Investing:** Access to TD mutual funds with lower MER in registered accounts