

01/29/2024 ... 12:15:28 [BN] Bloomberg News

Shopify Rally Puts Spear Alpha ETF on Morningstar Top Fund List

\$34 million fund was ranked fifth, with an 88% return in 2023

Ivana Delevska says Shopify 'was a pretty big winner for us'

By Geoffrey Morgan

(Bloomberg) -- Ivana Delevska started buying Shopify Inc. stock when its slide was drawing comparisons to fallen Canadian tech darlings of years past like BlackBerry Ltd. But the company's rally since then has made her exchange-traded fund one of the biggest winners in the US.

Spear Alpha ETF scooped up Shopify shares during their record drop in the second quarter of 2022, just ahead of the e-commerce giant's prolonged 174% rally. The bet helped propel her flagship fund to an 88% total return in 2023, putting it near the top of the 25 best performing non-levered, non-Bitcoin ETFs in the US, according to Morningstar data.

It's the first time since the actively managed fund's inception in 2021 that it made the ranking, with the fifth biggest annual return behind Cathie Wood's ARK Next Generation Internet ETF and ARK Fintech Innovation ETF, which posted 97% and 93%, respective returns.

Shopify was "something we bought close to the bottom" that really supercharged returns, the chief investment officer of Spear Invest said. "It was a pretty big winner for us last year."



Shares climbed 119% in 2023 and helped Canada's S&P/TSX Information Technology Index outpace its S&P 500 counterpart in the US last year. The stock is up 6.8% so far this year.

And Delevska sees the party continuing through 2024, noting that Shopify is free cash flow positive, and earnings have inflected higher. If Shopify's stock weakens after the company reports fourth-quarter results on Feb. 13, the fund is

looking to add to its position, she added.

Her \$34 million fund's performance in 2023 have led to a spike in trading volume. Average trading volume more than doubled in the second half of 2023 to 88,510 shares traded a day currently. The fund is setting daily volume records the first month of this year. It is also steadily pulling in money, with inflows of \$13 million so far this year.

"We believe we are in the early innings of a technology recovery, and it is good to see that we are getting on investor's radars," said Delevska, adding that her other holdings include Nvidia Corp.

To contact the reporter on this story:

Geoffrey Morgan in Toronto at gmorgan06@bloomberg.net

To contact the editors responsible for this story:

Eric J. Weiner at eweiner12@bloomberg.net

Amanda Fung