FUND RESEARCH NOTE · CANADIAN LISTED ETFs · MULTI-SECTOR COVERED CALL

HDIV — Hamilton Enhanced Canadian Covered Call ETF

A Diversified, Leveraged Fund-of-Funds That Has Outperformed the TSX 60 Since 2021

July 17, 2026 | Prepared by Dividend North Research | For education & informational purposes only — not investment advice

VERDICT	
BUY FOR INCOME + GROWTH	HDIV holds a diversified basket of Hamilton's own sector-specific YIELD MAXIMIZER covered-call ETFs (financials, energy, gold, tech, utilities), with 25% leverage layered on top. Since its 2021 inception it has outperformed the S&P/TSX 60 by 4.64% annualized while paying a ~9.8% trailing yield — one of the stronger risk-adjusted track records among the leveraged Canadian income funds in this series.

EXECUTIVE SUMMARY

HDIV (formerly named the Hamilton Enhanced Multi-Sector Covered Call ETF) is a fund-of-funds: rather than holding individual stocks directly, it holds a basket of Hamilton's own sector-focused YIELD MAXIMIZER covered-call ETFs — currently led by financials (HMAX, ~19.7%), energy (EMAX, ~17.4%), gold producers (AMAX, ~15.1%), and technology (QMAX, ~14.7%), among others — with a sector mix designed to broadly resemble the S&P/TSX 60. Hamilton then applies approximately 25% cash-borrowed leverage on top.

Since its July 2021 inception, HDIV has delivered a 19.08% annualized return, outperforming the S&P/TSX 60 by 4.64 percentage points per year, while currently yielding 9.84% on a trailing basis and paying monthly. The fund charges no direct management fee at the HDIV level — costs are embedded in the underlying Hamilton ETFs it holds — though some third-party commentary pegs the effective all-in cost meaningfully higher, so this is worth confirming directly with Hamilton before investing.

FUND SNAPSHOT

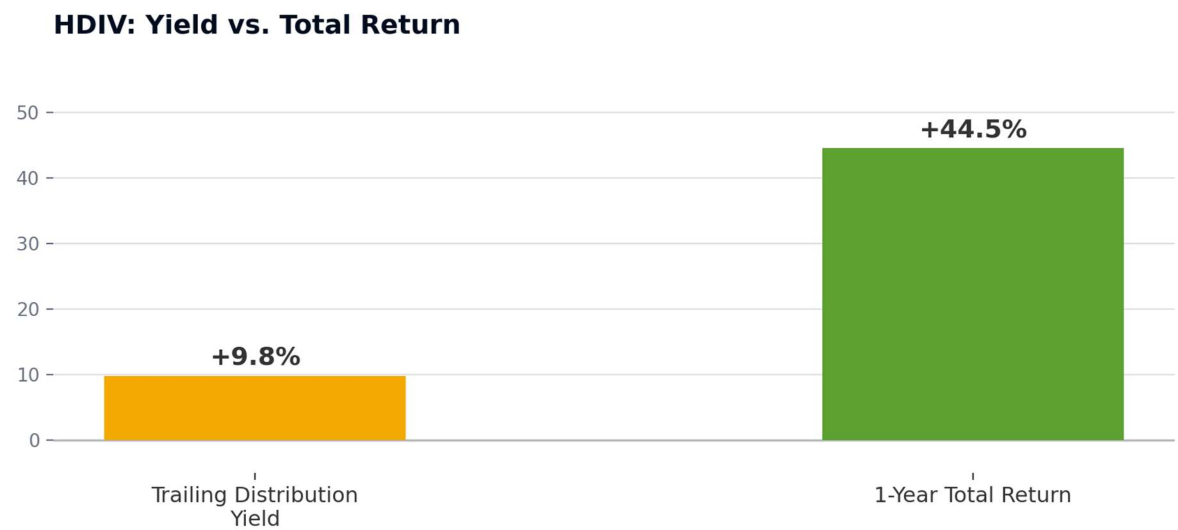
FIELD	DETAIL	FIELD	DETAIL
Ticker	HDIV — Toronto Stock Exchange	**Inception Date**	July 19, 2021
Issuer	Hamilton ETFs (Hamilton Capital Partners Inc.)	**NAV (Jul 15, 2026)**	$23.70
Management Fee	0% at HDIV level (embedded in holdings)	**Assets Under Mgmt.**	$1.72B CAD
Strategy	Diversified sector covered-call fund-of-funds	**Distribution Freq.**	Monthly (cash)
Trailing 12-Month Yield	9.84%	**Registered Accounts**	TFSA, RRSP, RRIF, FHSA, RESP
Leverage	Modest, ~25% of NAV	**Since-Inception Return**	19.08% annualized

Source: Hamilton ETFs (hamiltonetfs.com/etf/hdiv), Yahoo Finance, stockanalysis.com, as at July 2026.

HOW IT'S BUILT

HDIV's diversification comes from holding multiple Hamilton sector ETFs rather than one narrow basket — financials, energy, gold, technology, and utilities are all represented, each already running its own covered-call overlay. HDIV then adds 25% leverage on top of that already-diversified stack, aiming to broadly track the S&P/TSX 60's sector mix while paying a materially higher yield through the layered option premium.

This two-layer structure (sector ETFs + fund-level leverage) is more diversified than single-sector leveraged products like BANK, which is a meaningful risk difference even though both carry similar ~25% leverage.



HDIV trailing 12-month distribution yield vs. one-year total return, as at July 2026. HDIV has outperformed the S&P/TSX 60 by 4.64% annualized since its July 2021 inception.

THE BULL CASE

- Genuine multi-sector diversification. Unlike single-sector leveraged funds, HDIV spreads its covered-call exposure across financials, energy, gold, tech, and utilities — reducing (though not eliminating) sector-specific drawdown risk.
- Strong, multi-year track record. A 19.08% annualized return since 2021, outperforming the S&P/TSX 60 by 4.64%/yr, is a longer and more tested history than most leveraged income products.
- No direct management fee. Costs are embedded in the underlying Hamilton ETFs rather than charged twice, which Hamilton has used across its product suite (see also HYLD) to eliminate fee-on-fee drag.
- Attractive current yield with monthly cash flow. A 9.84% trailing yield is high relative to the diversification and quality of the underlying holdings.

KEY RISKS & CONSIDERATIONS

- Leverage still applies fund-wide. Even with sector diversification, the 25% leverage amplifies losses across the whole portfolio in a broad market downturn.

- Fee transparency. HDIV's 0% direct fee doesn't mean the strategy is free — underlying ETF fees and the cost of leverage still apply, and some independent commentary suggests the effective all-in cost is higher than headline figures suggest; confirm current total costs before investing.
- Sector concentration within Canada. Despite multi-sector exposure, HDIV remains 100% Canadian-equity-linked, missing the diversification benefit of U.S. or international exposure.
- Covered calls cap upside. Options written across the underlying sector ETFs limit participation in sharp rallies in any given sector, even as leverage amplifies the downside in a broad sell-off.
- Distribution is not guaranteed and may be adjusted based on option premium availability and market volatility.

WHO IT'S FOR

HDIV suits Canadian income investors who want diversified, leveraged, multi-sector equity income exposure rather than a single-sector bet, and who are comfortable with the return-amplifying effects of 25% leverage. Its longer track record and sector diversification make it one of the more defensible leveraged income products in this comparison set, though it is still not a low-volatility holding.

FINAL VERDICT

VERDICT **BUY FOR INCOME + GROWTH**	HDIV combines real diversification (across Hamilton's own sector covered-call ETFs) with modest leverage and a demonstrated multi-year track record of outperforming the S&P/TSX 60 on a total-return basis, all while paying a high monthly yield. It is one of the stronger candidates in this comparison group for investors who want leveraged Canadian equity income without concentrating in a single sector — though the underlying leverage and options-capped upside remain real, ongoing risks.