



## New Normal, New Opportunities series

“Placing more irons in the fintech fire”

&

“Nesting: Homebodies for now”

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*RBC Wealth Management’s Portfolio Advisory Group presents the “New normal, new opportunities” series, examining secular trends in a post-COVID-19 world. The series will cover a range of themes that are emerging as a result of social distancing, the work-from-home imperative, health care developments, corporate implications, and broader societal change. The Portfolio Advisory Group believes identifying these trends and understanding their investment implications will be critical to navigating the road ahead.*

Dear clients,

Please see the attached articles along with additional commentary below on the emerging theme of **financial technology (fintech)** and also the COVID-19 inspired theme of **nesting**.

## **Fintech**

Fintech has become all the more important during this pandemic, as our society now requires cashless transactions for just about every business imaginable. The use of credit cards and online transactions became an everyday occurrence for many people as they navigated life in quarantine earlier this year. The trend toward digital does not appear to be slowing down any time soon, and there are large opportunities opening up for companies operating in this space. With the transition to more and more e-commerce transactions, the leaders in fintech have the ability to take advantage of this opportunity.

We have been long-term owners of Visa (V) in your discretionary portfolio, and this continues to be one of our main holdings. As one of the two largest credit card companies, they have been a main beneficiary of the growth in cashless transactions. We also made an initial purchase of PayPal (PYPL) back in April as we felt this company was well-positioned to gain market share due to the pandemic. Since then, the stock has grown over 70%, and we had also increased our position in May on the way up.

## **Nesting**

The other attached article discusses the ways that COVID-19 has prevented people from going out in the world due to restrictions or general unease about public places. This has led to the theme of “nesting”, which references a person focusing on hobbies that they can do from the comfort of their home.

Pet ownership is considered a nesting activity. During the pandemic, pet ownership (and concurrently, the amount people spend on their

pets) increased by quite a bit. Pet spending has been growing pretty steadily for years, and was even one category that grew during the last recession. One of the main costs for pets is veterinary services. In your discretionary portfolio, we own Zoetis (ZTS), which is a main player in the manufacturing and commercialization of animal medicine and vaccines. They deal in both the companion and livestock animal market. We have owned Zoetis since November of last year, and increased our stake in May 2020. It has been a great performer as well.

Please take some time to review the “fintech” edition of [New normal, new opportunities](#), and also the [Nesting edition](#).

Best regards,

Ord Private Wealth Management  
John, Tim, Liam & Kristen