



THE VOLCANO PLAN

A Five-Year TFSA Investment Strategy




The Crater • The Flow • The Island

*Something must erupt to create. Something must flow to expand.
Something must cool to endure.*

The Strategy

The Volcano Plan is a structured five-year approach to growing a Tax-Free Savings Account by channelling dividend reinvestment through three distinct geological zones — each representing a different risk profile and role in the portfolio's lifecycle. Capital begins in the volatile, high-yield Crater, flows outward through the active, mid-risk Flow, and ultimately solidifies into the permanent, compounding ground of the Island.

The system does not require additional contributions if you are making a substantial initial investment, but if you are starting out, try and make consistent monthly contributions that works with your budget. \$100 per month is a good goal to start with. It runs on the dividends generated by the ETFs themselves, reinvested according to the zone ratios below. As the years progress, the heat gradually leaves the system — and what remains is solid ground.

 THE CRATER	 THE FLOW	 THE ISLAND
<i>High-Risk ETFs</i>	<i>Medium-Risk ETFs</i>	<i>Low-Risk ETFs</i>
Avg. 27.1% ROI	Avg. 11.6% ROI	Avg. 5–6% ROI
<i>Volatile. Generative. The source of all growth.</i>	<i>Active. Transitional. Building structure from heat.</i>	<i>Solid. Permanent. The ground you stand on.</i>

Annual Allocation Schedule

Dividend reinvestment ratios by year, mapped to each geological phase.

Year	Phase	Crater	Flow	Island	Notes
Year 1	<i>Eruption</i>	90%	0%	10%	Build the Crater. Rotate monthly across different high-risk ETFs to spread exposure.
Year 2	<i>Flowing</i>	60%	30%	10%	Crater still dominant; begin directing heat into the Flow.
Year 3	<i>Cooling</i>	20%	50%	30%	The Flow becomes primary. The Island begins to take meaningful shape.
Year 4	<i>Hardening</i>	33%	33%	33%	Even distribution across all three zones. The portfolio has matured.
Year 5	<i>The Island</i>	0%	0%	100%	Full consolidation. Protect and compound what has been built.

Year-by-Year Breakdown

Year 1 — Eruption

Year 1 is about ignition. The Crater is built deliberately — each month, rotate into a different high-risk ETF to distribute exposure across the full range of high-growth assets. Do not concentrate. A small 10% stream begins flowing toward the Island, establishing the foundation before the bulk of capital is ever needed there.

The Crater 90%	The Flow 0%	The Island 10%
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Year 2 — Flowing

The Crater is alive and producing. Now begin directing its output. Thirty percent of dividends are redirected into the Flow — medium-risk ETFs that will catch and channel what the Crater generates. The Island drip continues at 10%. Dividends earned within the Flow itself should be reinvested back into that same tier.

The Crater 60%	The Flow 30%	The Island 10%
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Year 3 — Cooling

The lava is cooling into ground. The Flow becomes the dominant allocation — 50% of all dividends — as the mid-tier holdings grow in mass and stability. The Crater remains active but is no longer the priority at 20%. The Island's share rises meaningfully to 30%, beginning to reflect the enduring wealth being laid down.

The Crater 20%	The Flow 50%	The Island 30%
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Year 4 — Hardening

Equilibrium. All three zones receive equal reinvestment, signalling that the portfolio has reached a mature, multi-layered structure. The Crater still burns, the Flow still moves, and the Island continues to expand — all in balance. This is the consolidation phase before the final transition.

The Crater 33%	The Flow 33%	The Island 33%
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Year 5 — The Island

The strategy reaches its destination. Every dividend earned now returns to the Island — low-risk ETFs that preserve and steadily compound the wealth accumulated over four years of active building. The eruption served its purpose. The flow shaped the terrain. The Island is the result.

The Crater 0%	The Flow 0%	The Island 100%
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ETF Reference

The ETFs below are approved for each zone. Within the Crater, rotate across different holdings each month — never concentrate a full payout in a single ETF. The Flow and Island selections are designed for consistent accumulation across the corresponding tiers.

The Crater — High-Risk ETFs

Ticker	Payout	Notes
HBIX	<i>Monthly</i>	Holds Bitcoin via iShares IBIT with ~25% leverage and covered calls. Exceptional yield from BTC volatility. Own during Bitcoin bull cycles; reduce when BTC enters sustained downtrends.
CRCY	<i>Monthly</i>	Single-stock ETF on Circle Internet Group (USDC stablecoin) with leverage and covered calls. Massive yield but high NAV risk. Best in crypto/fintech expansion phases; exit early in crypto bear markets.
BTCY	<i>Monthly</i>	Holds physical Bitcoin and writes covered calls for monthly income. Converts BTC volatility into cash flow. Own in rising or sideways BTC markets; covered calls cap upside in sharp rallies.
ETHY	<i>Monthly</i>	Holds physical Ethereum with covered calls for high monthly distributions. Own when ETH is stable or slowly rising; reduce when ETH enters sharp downtrends or faces regulatory pressure.
SOLL	<i>Monthly</i>	Directly holds Solana tokens with staking rewards passed through monthly. Pure exposure to the fastest-growing Layer 1 blockchain. High volatility — position sizing is critical.
QDAY	<i>Bi-weekly</i>	~1.25x leveraged Nasdaq 100 with a daily options overlay for frequent distributions. Amplified tech returns plus high income. Own in tech bull markets; leveraged structure magnifies losses on downturns.

The Flow — Medium-Risk ETFs

Ticker	Payout	Notes
HMAX	<i>Monthly</i>	~1.25x levered Canada's Big 6 banks with covered calls. High income from Canada's most stable sector. Own when rates are flat or rising and banks are beating earnings; reduce ahead of rate cut cycles.
QMAX	<i>Monthly</i>	~1.25x leveraged Nasdaq 100 with covered call overlay. Amplified tech growth with meaningful income. Own in tech-friendly environments; reduce when macro conditions tighten.
UMAX	<i>Monthly</i>	~1.25x levered Canadian utilities with covered calls. Defensive income from a rate-sensitive sector. Own when rate cuts are expected; less attractive when rates rise sharply.
CDAY	<i>Bi-weekly</i>	Leveraged Canadian blue-chip dividend stocks with an active options overlay. Consistent semi-monthly income with Canadian equity growth. Solid all-weather hold; reduce in deep market downturns.
HPYB	<i>Bi-weekly</i>	Canada's Big 6 bank stocks with covered calls, paid bi-weekly. Very reliable income from Canada's most resilient sector. Strong year-round core holding; particularly steady during stable rate environments.
SHPY	<i>Monthly</i>	Diversified equities with covered calls and modest leverage for enhanced monthly income. Broad exposure with amplified distributions. Works well as a diversified anchor; reduce leverage exposure during broad market sell-offs.

The Island — Low-Risk ETFs

Ticker	Payout	Notes
HPYT	Monthly	Long-dated US Treasury bond ETFs with covered calls for high monthly income (~15%+ yield). Government-backed bonds converted into a high-income vehicle. Best when rates are flat or falling; covered calls cap price appreciation on sharp rate drops.
CBIL	Monthly	Government of Canada T-Bills with under 3-month maturity. Near-zero risk, pure capital preservation with daily liquidity. Park cash in any market condition; yield declines when Bank of Canada cuts rates.
XDIV	Monthly	24 high-quality Canadian dividend stocks — banks, energy, financials. Steady dividend growth, low cost, designed as a permanent core holding. Hold through all conditions; strongest in stable rate and Canadian equity bull environments.
PSA	Monthly	High-interest deposit accounts at Schedule I Canadian banks. Maximum capital preservation with better yield than a savings account, fully liquid. Ideal for uncertain markets; yield tracks the Bank of Canada overnight rate.
HBF	Monthly	20 of the world's top global brands (Coca-Cola, Apple, etc.) with up to 33% covered call overlay. Resilient blue-chip exposure with monthly income and low volatility. Solid long-term anchor; performs well in stable to rising equity markets.
HCA	Monthly	Quarterly-rebalanced strategy overweighting the 3 most underperforming Big 6 banks (80%) and underweighting the 3 outperformers (20%). Smart-beta approach that historically outperforms equal-weight bank indices. Rewards patience across full market cycles.

Guiding Principles

Rotate within the Zone. For each year in this plan, we will focus on that year's Zone. Rotate monthly within respective zones to diversify, even at the highest risk "Crater".

Let the dividends flow. This strategy runs on reinvested dividend payouts — Additional contributions are optional and dependant on your contribution room and financial comfort level. The compounding effect accelerates naturally as each zone grows.

Trust the cooling. The shift from Crater to Island is intentional and gradual. Resisting it — staying too long in the Crater or rushing to the Island — disrupts the natural geology of the plan.

Monthly newsletter. Every month after dividend payout, I will examine the market and apply a cost basis analysis to determine what I think are the best picks for investing your earnings into and distribute my monthly newsletter.

Year end and cycle review. This cycle runs for five years. Your investment journey doesn't end there, however. At the end of each year, I will send out a progress report. We will reassess the market and swap out any ETFs deemed worthwhile. At the end of the 5-year cycle, we will do a larger overview and make a plan that suits YOUR needs moving forward. That might be repeating the cycle or shifting to a plan that reinvests a smaller percentage and supplements your income moving forward.

Minimum Reinvestment. There will be times where some of you may need the monthly dividends in your day to day lives. That is OK! If you can manage to apply this plan to just 30% of your dividend payments, you will still have healthy growth increasing your payouts each month.

The Crater erupts. The Flow expands. The Island endures.