



Monthly Update – As at January 31, 2022

Diversiflex Balanced

This portfolio seeks to provide growth, capital preservation and income by balancing the capital appreciation potential of equities, commodities and currencies with the relative safety and stability of fixed-income investments.

Inception date:	January 1, 2014
Minimum investment:	\$50,000
Benchmark:	35% S&P/TSX Composite 35% MSCI World (CAD) 30% FTSE TMX Canada Bond Universe
Investment time frame:	Medium term or longer

INVESTMENT STRATEGY

- Employs a relative strength approach to capture growth opportunities in up markets while offering protection in down markets. The portfolio maintains a fixed-income target of 30%.
- Exposure to a wide range of asset classes that include Canadian, U.S. and international equities, individual equity sectors, fixed income, cash, commodities and currencies.
- Sophisticated daily analysis is used to drive the decision to rotate into or out of asset classes and their individual holdings, when warranted, in an effort to achieve stronger returns and capital protection.

TRAILING PERIOD PERFORMANCE

(As at January 31, 2022)

	Diversiflex Balanced Portfolio	Benchmark
1 month	-2.8%	-2.8%
3 month	-1.3%	-0.1%
6 month	1.2%	1.7%
9 month	3.4%	7.2%
YTD	-2.8%	-2.8%
1 year	6.3%	12.5%
2 year	7.1%	9.3%
3 year	9.2%	10.8%
4 year	6.8%	8.3%
5 year	9.5%	8.5%
Since inception (Jan. 2014)	8.9%	8.2%

STANDARD DEVIATION** (As at January 31, 2022)

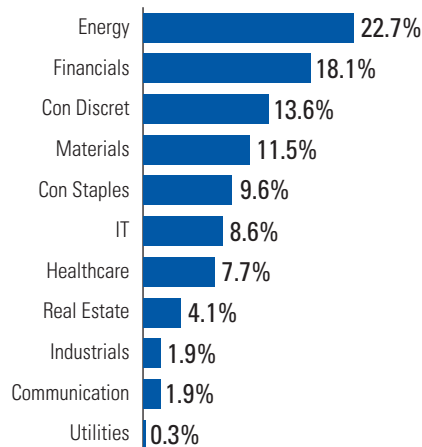
3 year	8.8%	10.8%
5 year	8.9%	9.4%
Since inception (Jan. 2014)	8.8%	8.6%

CURRENT PORTFOLIO HOLDINGS HIGHLIGHT (As at January 31, 2022)

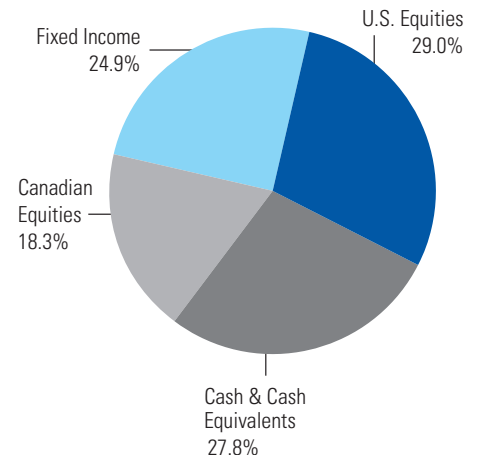
Holdings highlight

BMO SIA Focused North American Equity Fund*
IA Clarington Core + Bond Fund
IA Wealth Core Bond Pool
BMO Ultra Short-Term Bond ETF
BMO Ultra Short-Term US Bond ETF
BMO MSCI USA High Quality Hedge ETF
BMO S&P 500 Hedged to CAD Index ETF
BMO Equal Weight Oil & Gas Index ETF
BMO Equal Weight Bank ETF
iShares U.S. Consumers Staples ETF
iShares S&P/TSX Global Base Metals ETF

Equity sector allocation (%)



Asset allocation (%)



COMMENTARY

Portfolio Changes During January

- Bought: iShares S&P/TSX Global Base Metals ETF (XBM), iShares US Consumer Staples ETF (IYK), and BMO Canadian Dividend ETF (ZDV)
- Increased the weight in BMO Ultra Short Term Bond ETF (ZST) for the short-term
- Sold: SPDR S&P Homebuilders ETF (XHB), Vanguard Consumer Discretionary ETF (VCR), BMO Nasdaq 100 Equity Hedged to CAD Index ETF (ZQQ), and BMO Canadian Dividend ETF (ZDV)

Changes to Asset Allocation and Sector Weights

- The highest weighted asset class remains US Equities at 29.0%
- Energy is the highest weighted equity sector at 22.7%

Contributors for Performance for the Month

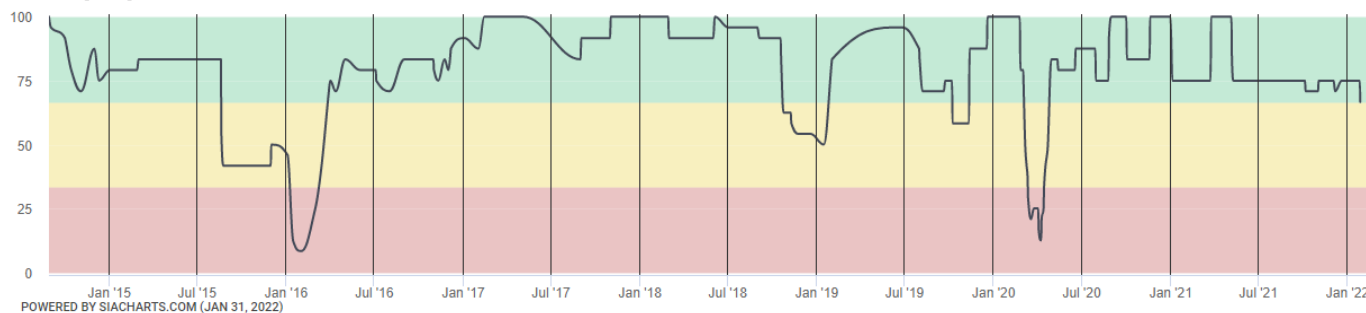
- The BMO Equal Weight Oil & Gas ETF (ZEO) was the best performer of January, gaining 13.42%
- The BMO Equal Weight Bank ETF (ZEB) also had a positive month, gaining 6.06%

Detractors from Performance for the Month

- The Vanguard Consumer Discretionary ETF (VCR) was the weakest performer in January with a -14.40% return.
- The SPDR S&P Homebuilders ETF (XHB) was the second weakest performer for the month, with a -12.29% return.

U.S. stock markets kicked off 2022 with high levels of volatility and the month of January was littered with many days of choppy trading. As investors weighed the likelihood of a Fed rate hike coming sooner than previously anticipated, a sell-off in information technology, communication services, and real estate sectors led to significant declines in major indices. Notably, the tech-heavy Nasdaq index fell 9% in January, its biggest monthly drop since March 2020. Stocks did manage to rally a bit at the end of the month to end a three-week losing streak as major tech companies, including Apple Inc. and Microsoft Corp., reported strong quarterly earnings and outlooks.

SIA Equity Action Call



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*The BMO SIA Focused North American Equity Fund utilizes SIA Wealth Managements relative-strength methodology and will target fifteen individual North American securities while equities are in favor; however, the fund could hold as little as zero equity positions when equities are unfavored. SIA Wealth Management, who acts as sub advisor for the Diversiflex portfolios also acts as sub advisor for the BMO SIA Focused North American Equity Fund.

**Calculated using change in month end values for the trailing 3 and 5 year periods (annualized for 12 months per year).

Performance is calculated using month-end market values of the model portfolio. Since we use a model portfolio to calculate performance, there are no client-initiated cash flows (deposits/withdrawals) to account for. Performance is calculated by dividing the change in the model portfolio's market value by the model portfolio's market value at the beginning of the performance period. Also, any and all income generated by the portfolio's holdings are held within the model portfolio in cash and is accounted for in the portfolio's month-end market value – this results in a total return measure of the model's performance. Returns for periods less than 1 year are shown as periodic returns while returns for periods greater than 1 year are annualized. The Diversiflex Portfolios are managed and operated through iA Private Wealth Inc., a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.