



Monthly Update – As at March 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 March 31, 2022)

	Diversiflex Balanced Portfolio	Benchmark
1 month	0.1%	1.1%
3 month	-2.6%	-2.8%
6 month	1.0%	2.6%
9 month	1.3%	3.2%
YTD	-2.6%	-2.8%
1 year	5.9%	8.8%
2 year	13.4%	18.0%
3 year	7.5%	9.3%
4 year	7.0%	8.7%
5 year	8.7%	7.8%
Since inception (Jan. 2014)	8.7%	8.1%

## STANDARD DEVIATION\*\* (As at March 31, 2022)

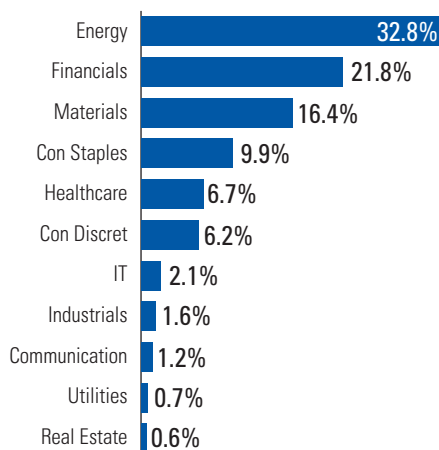
3 year	8.7%	10.8%
5 year	8.8%	9.4%
Since inception (Jan. 2014)	8.7%	8.5%

## CURRENT PORTFOLIO HOLDINGS HIGHLIGHT (As at March 31, 2022)

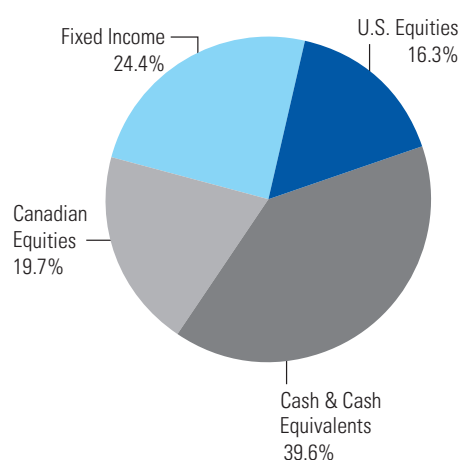
### Holdings highlight

BMO SIA Focused North American Equity Fund*
BMO Ultra Short-Term Bond ETF
IA Clarington Core + Bond Fund
IA Clarington Bond Fund
BMO Ultra Short-Term US Bond ETF
BMO Equal Weight Oil & Gas ETF
iShares US Fundamental ETF
BMO Equal Weight Banks ETF
iShares S&P/TSX Global Base Metals ETF
iShares US Consumer Staples ETF

### Equity sector allocation (%)



### Asset allocation (%)



## COMMENTARY

### Portfolio Changes During March

- Sold: BMO S&P 500 Index ETF CAD Hedge ETF (ZUE)

### Changes to Asset Allocation and Sector Weights

- The highest weighted asset class is Fixed Income at 24.4%
- Energy remains as the highest weighted equity sector at 32.8%

### Contributors for Performance for the Month

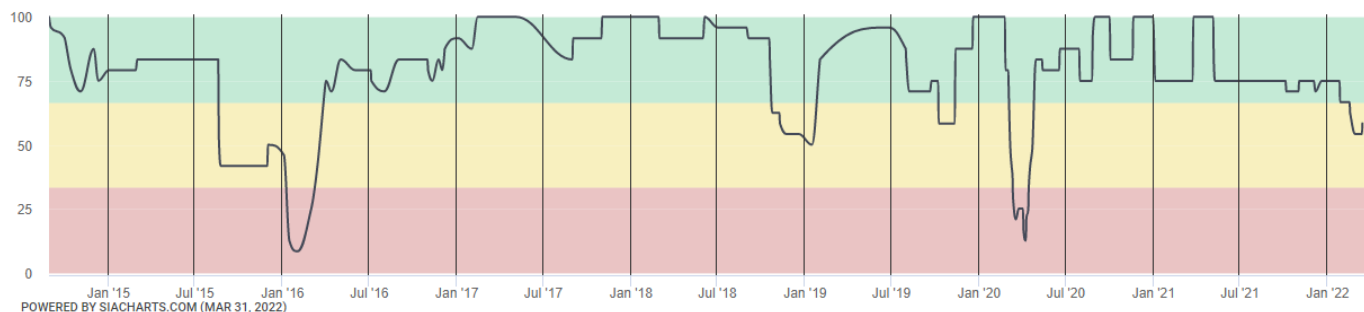
- The iShares S&P/TSX Global Base Metal ETF (XBM) was the best performer of March, gaining 9.23%
- The BMO Equal Weight Oil & Gas ETF (ZEO) also had a positive month, gaining 7.90%

### Detractors from Performance for the Month

- The BMO S&P 500 Index ETF CAD Hedged (ZUE) was the weakest performer in March with a -2.88% return.
- The BMO EqualWeight Banks ETF (ZEB) was the second weakest performer for the month, with a -2.19% return.

The war in Ukraine continued to be front-and-center for investors, as geopolitical uncertainty contributed to ongoing turbulence in stock markets. A growing list of government-imposed sanctions against Russia, including a U.S. ban on Russian imports of oil and energy, and a myriad of major U.S. companies ceasing operations in Russia spurred fears of further disruptions in supply chains and higher levels of inflation. The exacerbating crisis in Ukraine did not derail the Federal Reserve from initiating what is expected to be a series of interest rate hikes this year, as it raised rates by 25 basis points, marking the first time the central bank has hiked rates since 2018. Fed Chair Jerome Powell left open the possibility that more aggressive rate hikes moving forward, with FOMC officials anticipating a further six hikes through the balance of 2022. Major equity indices reacted favorably to the tightening and the possibility of a ceasefire negotiation between Russia and Ukraine, bringing the S&P 500 up 8% from its lowest point of 2022. Despite the month-end rally, Q1 was the worst quarter for stocks in since 2020.

### 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.