



Monthly Update – As at June 30, 2022

# Diversiflex Balanced

The exposure of this unconstrained tactical portfolio aims to provide capital appreciation opportunities via exposure to equities, currencies and commodities, or relative safety and stability via fixed income investments, depending on what the relative strength model of SIA Wealth Management, the manager, indicates.

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 June 30, 2022)

	Diversiflex Balanced Portfolio	Benchmark
1 month	-4.2%	-6.1%
3 month	-3.4%	-10.9%
6 month	-6.0%	-13.4%
9 month	-2.5%	-8.7%
YTD	-6.0%	-13.4%
1 year	-2.2%	-8.1%
2 year	8.0%	4.7%
3 year	5.9%	4.4%
4 year	5.2%	4.7%
5 year	7.7%	5.3%
Since inception (Jan. 2014)	8.0%	6.4%

## STANDARD DEVIATION\*\* (As at June 30, 2022)

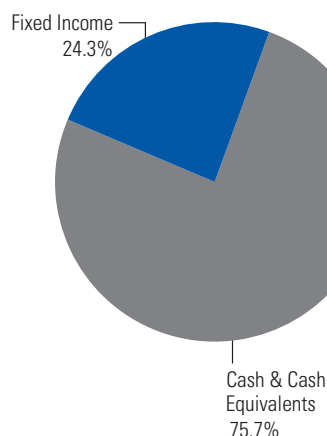
3 year	8.8%	11.8%
5 year	9.0%	10.1%
Since inception (Jan. 2014)	8.7%	8.5%

## CURRENT PORTFOLIO HOLDINGS HIGHLIGHT (As at June 30, 2022)

### Holdings highlight

BMO SIA Focused North American Equity Fund*
BMO Ultra Short Term Bond ETF
BMO Ultra Short Term US Bond ETF
IA Clarington Core + Bond Fund
IA Clarington Bond Fund

### Asset allocation (%)



## COMMENTARY

### Portfolio Changes During June

- Sold: iShares U.S. Consumer Staples ETF (IYK), BMO Equal Weight Bank ETF (ZEB), BMO Equal Weight Oil & Gas ETF (ZEO), iShares US Fundamental ETF (CLU)

### Changes to Asset Allocation and Sector Weights

- The highest weighted asset class is Cash & Cash Equivalents at 75.7%
- All equity positions are removed and replaced with ultra-short-term fixed income

### Contributors for Performance for the Month

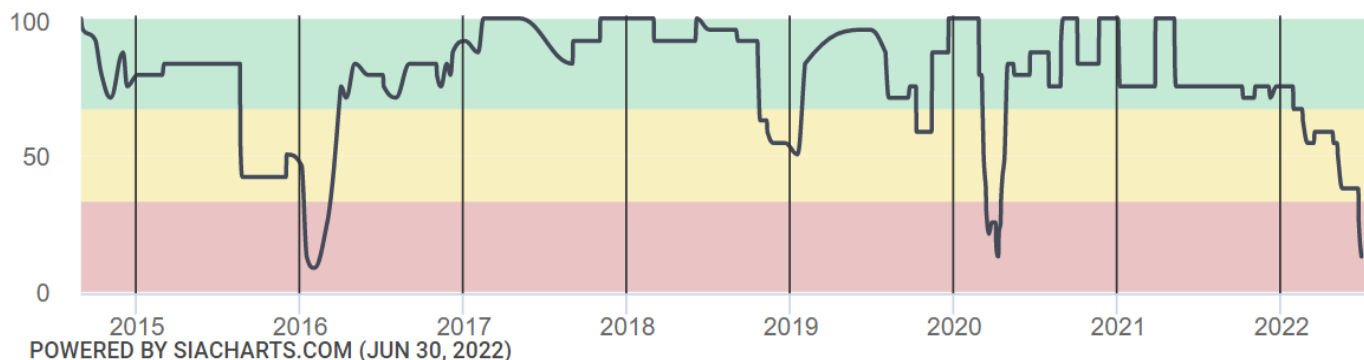
- The BMO Ultra Short Term US Bond ETF (ZUS.U) was the best performer of June, gaining 1.4%

### Detractors from Performance for the Month

- The BMO Equal Weight Oil & Gas ETF (ZEO) was the weakest performer in June with a -13.0% return
- The iShares US Fundamental ETF (CLU) was the second weakest performer for the month, with a -12.1% return

A streak of volatile trading extended into June as investors focused on the highest inflation print in 40 years. Renewed recession jitters contributed to the continuing stock market sell-off, leading to the S&P 500's first bear market since March 2020. Fed Chairman Jerome Powell stated at a Senate Committee meeting that a soft landing would be very challenging, while a recession is a possibility due to the central bank's unconditional commitment to taming inflation. U.S. consumer confidence deteriorated to a 16-month low in June, raising concerns that consumers will curb spending in anticipation of persistently high prices. Amid the myriad of global crises facing markets, the S&P 500 ended the first half of 2022 lower by 20.6% for its worst start to a year since 1970.

### SIA Equity Action Call



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\*The BMO SIA Focused North American Equity Fund utilizes SIA Wealth Management's 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.