



Monthly Update – As at July 29, 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 July 29, 2022)

	Diversiflex Balanced Portfolio	Benchmark
1 month	0.4%	5.3%
3 month	-2.4%	-1.4%
6 month	-2.8%	-6.2%
9 month	-4.1%	-6.3%
YTD	-5.6%	-8.8%
1 year	-1.7%	-4.6%
2 year	6.1%	5.8%
3 year	5.3%	6.0%
4 year	5.2%	5.8%
5 year	8.0%	6.6%
Since inception (Jan. 2014)	8.0%	6.9%

## STANDARD DEVIATION\*\* (As at July 29, 2022)

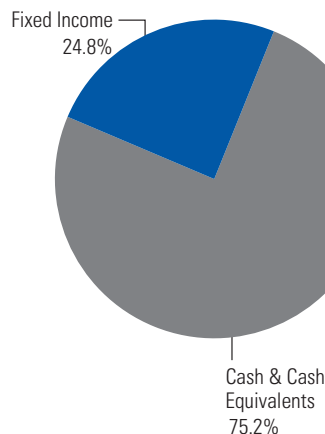
3 year	8.7%	12.1%
5 year	8.9%	10.3%
Since inception (Jan. 2014)	8.7%	8.6%

## CURRENT PORTFOLIO HOLDINGS HIGHLIGHT (As at July 29, 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 July

- None

### Changes to Asset Allocation and Sector Weights

- Cash & Cash Equivalents remained as the highest weighted asset class at 75.2%

### Contributors for Performance for the Month

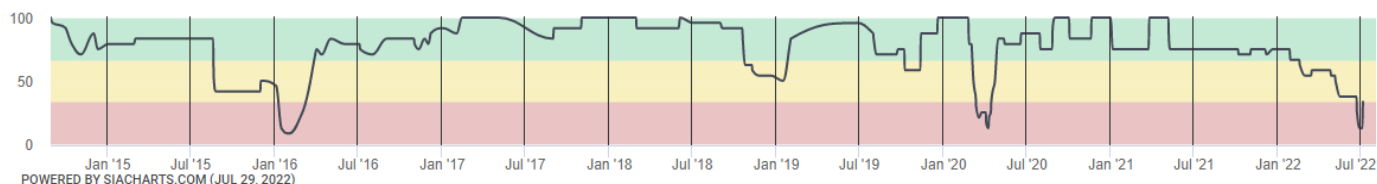
- The iA Clarington Core Plus Bond Fund (CCM9308) and iA Clarington Bond Fund (CCM903) were the best performers of July, with an aggregate return of 2.69%

### Detractors from Performance for the Month

- The BMO Ultra Short Term US Bond ETF (ZUS.U) was the weakest performer in July with a -0.64% return
- The BMO SIA Focused North American Equity Fund (BMO12258) was the second weakest performer for the month, with a -0.30% return

After high levels of volatility for most of the first half of the year, a shift in expectations that that peaking inflation and slowing growth could push the Fed to slow the pace of its rate hikes bolstered equities throughout July. The NASDAQ and the S&P 500 registered their best monthly performance figures since July and November of 2020, respectively. Better-than-expected earnings from tech giants, such as Microsoft, Google, and Amazon, also acted as a catalyst for higher stock prices. In other news, U.S. GDP fell at an annualized rate of 0.9% in Q2 quarter, following a 1.6% decline in the first quarter. Two straight negative GDP prints met the unofficial definition of a recession, yet key policy makers, including President Joe Biden and Fed Chairman Jerome Powell, argued that the U.S. is not in a recession.

### 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.