

## Diversiflex Portfolios

# Balanced

**Monthly Update**

As at April 30, 2023

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% FTSE Glb All Cap ex Cd (CAD), 30% FTSE TMX Canada Bond Universe
Investment objective	Income/Growth
Risk rating	Medium
Investment time frame	Medium 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.

### Portfolio Performance

	Portfolio	Benchmark
1 Month	0.7%	1.8%
3 Month	-0.9%	1.3%
6 Month	-0.6%	8.4%
9 Month	-1.3%	6.2%
YTD	0.5%	6.8%
1 Year	-3.7%	4.4%
2 Years	-0.4%	2.4%
3 Years	6.9%	8.2%
4 Years	3.8%	5.8%
5 Years	4.7%	6.3%
Since Inception (Jan 2014)	7.2%	6.9%

### Standard Deviation\*

	Portfolio	Benchmark
3 Year	7.3%	10.2%
5 Year	8.4%	11.0%
Since Inception (Jan 2014)	8.5%	8.8%

## Commentary

### Portfolio Changes During April

- Bought: BMO MSCI Europe High Quality ETF CAD Hedged (ZEQ.TO), BMO MSCI EAFE ETF (ZEA.TO)
- Sold: BMO S&P US Mid Cap Index ETF (ZMID.TO), BMO US Dividend ETF (ZDY.TO)

### Changes to Asset Allocation and Sector Weights

- The highest weighted asset class is US Equities at 44.5%
- Industrials is the highest weighted equity sector at 26.3%

### Contributors from Performance for the Month

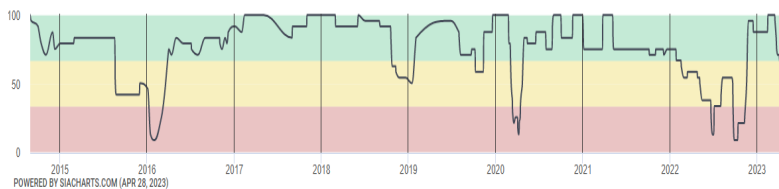
- The BMO International Dividend Hedged to CAD ETF (ZDH.TO) was the best performer of April, gaining 3.35%
- The Global X MLP ETF (MLPA) also had a positive month, gaining 1.97%

### Detractors from Performance for the Month

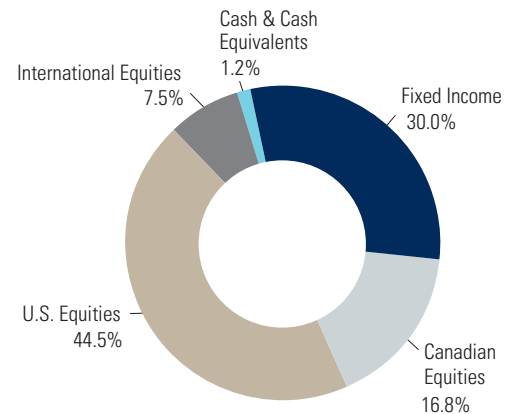
- The BMO Equal Weight Industrials Index ETF (ZIN.TO) was the weakest performer in April with a -2.58% return.
- The Global X US Infrastructure Development (PAVE) was the second weakest performer for the month, with a -2.41% return.

Canada’s main stock index climbed in April as higher oil prices benefited energy shares and new GDP data helped justify the Bank of Canada’s continued interest rate pause. U.S. stock indices rose as well after strong earnings updates from major companies. According to data source FactSet, more than half of S&P 500 companies have reported results so far, with roughly 80% reporting earnings above expectations. In its latest World Economic Outlook, the IMF warns the global economy is heading for its weakest medium-term growth in more than three decades.

### SIA Equity Action Call



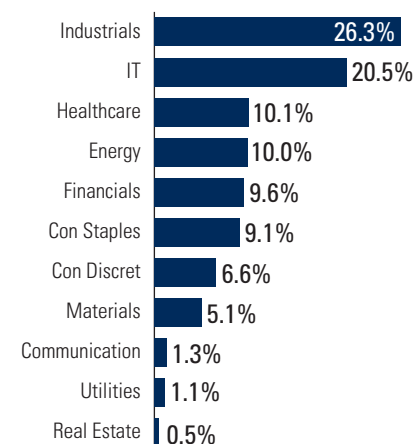
## Asset Allocation



## Holdings

BMO SIA Focused North American Equity Fund**	25.00%
IA Clarington Core + Bond Fund	15.00%
IA Clarington Bond Fund	15.00%
BMO International Dividend Hedged to CAD ETF	7.50%
BMO MSCI Europe High Quality ETF CAD Hedged	7.50%
BMO MSCI EAFE ETF	7.50%
iShares S&P/TSX Capped Information Technology Index ETF	4.30%
iShares US Aerospace & Defense ETF	4.30%
BMO Equal Weight Industrials Index ETF	4.30%
Global X MLP ETF	4.30%
Global X US Infrastructure Development ETF	4.30%
Cash	1.00%

## Equity Sector Allocation



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

\*\*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.

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.

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