

# MERITAGE TACTICAL ETF PORTFOLIOS

## Tactical adjustments – Q1 2022

January 28, 2022

### Increased positions

The allocation between equities stays the same, the weight of the increase in equity is done according to their actual allocation.

### Decreased positions

BMO Aggregate Bond Fund

### Transaction and positioning

Overall, equities are overweighted:

-	U.S. equities: underweight (within equities)
Neutral	Emerging market equities: neutral (within equities)
+	Canadian equities: overweight (within equities)
Neutral	International equities: neutral (within equities)

Fixed income is underweighted.

### Rationale

- Equity markets started the new year nervously, with impending monetary tightening and Russia-NATO tensions challenging investors' risk appetite after a prolonged period of gains. In this context, we are taking advantage of the pullback to increase our equity allocation, further reducing the weight of fixed income securities for which the outlook remains poor. We remain overweight cash.
- The allocation between equities remains the same.

**March 28, 2022**

Tactical adjustments were made to the Meritage Tactical ETF Portfolios

Increased positions	Decreased positions
ZAG - BMO Aggregate Bond ETF	IEFA - iShares Core MSCI EAFE ETF
	ZCN - BMO S&P/TSX Capped Composite Index ETF
	SCHB - Schwab US Broad Market ETF

### Transaction and positioning

Overall, equities are overweighted:

+	U.S. equities: overweight (within equities)
-	Emerging market equities: underweight (within equities)
+	Canadian equities: overweight (within equities)
-	International equities: underweight (within equities)

Fixed income remains underweighted.

### Rationale

- The Fixed Income portion of the portfolio is increased but remains underweighted.
- Geographically, Canadian and US Equities are overweighted while both International Equities and Emerging Markets are underweighted.
- Equities have rebounded sharply after a challenging start of the year, so we have taken advantage of the situation to lock in gains and better calibrate the risks of the portfolios. Uncertainty has also increased because of the situation in Ukraine.

# MERITAGE TACTICAL ETF PORTFOLIOS

## Asset allocation evolution – Q1 2022

UNDERLYING ETFs	MERITAGE TACTICAL ETF PORTFOLIOS											
	Meritage Tactical ETF Moderate Portfolio			Meritage Tactical ETF Balanced Portfolio			Meritage Tactical ETF Growth Portfolio			Meritage Tactical ETF Equity Portfolio		
	Start Q4	End Q4	Δ	Start Q4	End Q4	Δ	Start Q4	End Q4	Δ	Start Q4	End Q4	Δ
<b>Cash</b>	3.75%	3.00%	-0.75%	4.00%	4.00%	-	3.33%	2.67%	-0.66%	-	-	-
NBI Altamira <i>CashPerformer</i> ®	3.75%	3.00%	-0.75%	4.00%	4.00%	-	3.33%	2.67%	-0.66%	-	-	-
<b>Fixed income</b>	49.88%	51.00%	1.12%	32.50%	33.00%	0.50%	21.00%	21.32%	0.32%	-	-	-
BMO Aggregate Bond Index ETF	33.38%	34.50%	1.12%	20.00%	20.50%	0.50%	13.00%	13.32%	0.32%	-	-	-
BMO Corporate Bond ETF	7.00%	7.00%	-	4.50%	4.50%	-	2.00%	2.00%	-	-	-	-
Horizons Active Preferred Share ETF	2.50%	2.50%	-	2.00%	2.00%	-	2.00%	2.00%	-	-	-	-
Invesco Fundamental High Yield Corporate Bond ETF	7.00%	7.00%	-	6.00%	6.00%	-	4.00%	4.00%	-	-	-	-
Invesco Emerging Markets Sovereign Debt ETF	-	-	-	-	-	-	-	-	-	-	-	-
<b>Canadian equity</b>	17.95%	17.93%	-0.02%	24.55%	24.52%	-0.03%	28.75%	29.05%	0.30%	37.60%	37.60%	-
BMO S&P/TSX Capped Composite Index ETF	13.55%	13.53%	-0.02%	18.51%	18.48%	-0.03%	21.10%	21.40%	0.30%	26.63%	26.63%	-
BMO Low Volatility Canadian Equity ETF	4.40%	4.40%	-	6.04%	6.04%	-	7.65%	7.65%	-	10.97%	10.97%	-
<b>Global equity</b>	28.42%	28.07%	-0.35%	38.95%	38.48%	-0.47%	46.92%	46.96%	0.04%	62.40%	62.40%	-
ProShares S&P 500 Dividend Aristocrats ETF	2.64%	2.64%	-	3.63%	3.63%	-	4.58%	4.58%	-	6.58%	6.58%	-
Schwab U.S. Broad Market ETF	12.93%	12.91%	-0.02%	17.66%	17.63%	-0.03%	20.05%	20.35%	0.30%	25.10%	25.10%	-
Schwab U.S. Mid-Cap ETF	2.38%	2.38%	-	3.26%	3.26%	-	4.13%	4.13%	-	5.92%	5.92%	-
iShares Core MSCI EAFE ETF	5.03%	4.52%	-0.51%	6.90%	6.21%	-0.69%	8.47%	7.86%	-0.61%	11.75%	11.28%	-0.47%
iShares Core MSCI Emerging Markets ETF	1.88%	2.00%	0.12%	2.58%	2.73%	0.15%	3.12%	3.32%	0.20%	4.23%	4.51%	0.28%
Schwab Fundamental Emerging Markets Large Company Index ETF	1.26%	1.32%	0.06%	1.72%	1.82%	0.10%	2.07%	2.22%	0.15%	2.82%	3.01%	0.19%
NBI Global Real Assets Income ETF	2.30%	2.30%	-	3.20%	3.20%	-	4.50%	4.50%	-	6.00%	6.00%	-

Increased/new position | Decreased/deleted position

Source : National Bank Investments

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1 Total global iShares assets, including Canadian-listed ETF assets of \$102,7B CAD as of January 31, 2022.

2 Based on BlackRock AUM of \$10 trillion USD as of January 31, 2022.

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