

Quarterly Asset Evolution Report

Meritage Tactical ETF Portfolios



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Summary of Tactical adjustments

2024 | Q1

Increased positions for the quarter

Canadian Equity

- BMO S&P/TSX Capped Composite Index ETF

Global Equity

- Schwab US Broad Market ETF
- iShares Core MSCI EAFE ETF

Decreased positions for the quarter

Fixed Income

- BMO Aggregate Bond Index ETF
- BMO Long Provincial Bond Index ETF

Rationale

- ▶ Two months ago, the resilience of the U.S. economy and an easier tone from the Federal Reserve (Fed) prompted us to increase our allocation to equities, although we remained underweight relative to benchmark.
- ▶ Today, confirmation of the Fed's rate-cutting intentions – despite higher-than-expected inflation – leads us to raise equities again against bonds, this time bringing their respective allocations to neutral.
- ▶ Nonetheless, our positioning remains slightly cautious towards the economic cycle, with a continued preference for the U.S. market over emerging markets within equities, and particularly an underexposure to the Canadian dollar.
- ▶ while our base-case scenario still anticipates a slowdown in inflation combined with greater economic turbulence, the Fed's assertive pivot argues for a more balanced strategy until fundamental trends become clearer over the coming months.
- ▶ In parallel, an acknowledgement by the Bank of Canada of the more notable economic and inflationary weakness on our side of the border has the potential to see the loonie depreciate further.

Please consult the Meritage [Round Table](#) and [Summary Table](#) for supplementary information.

Underlying ETF	Meritage Tactical ETF Moderate Portfolio			Meritage Tactical ETF Balanced Portfolio			Meritage Tactical ETF Growth Portfolio			Meritage Tactical ETF Equity Portfolio		
	Start Q1	End Q1	Δ	Start Q1	End Q1	Δ	Start Q1	End Q1	Δ	Start Q1	End Q1	Δ
Cash	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
NBI Altamira CashPerformer®	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Fixed Income	63,0%	58,0%	-5,0%	48,0%	43,0%	-5,0%	33,0%	28,0%	-5,0%	0,0%	0,0%	0,0%
BMO Aggregate Bond Index ETF	44,1%	40,6%	-3,5%	33,6%	30,1%	-3,5%	23,1%	19,6%	-3,5%			
BMO Corporate Bond Index ETF	4,4%	4,1%	-0,3%	3,4%	3,0%	-0,4%	2,3%	2,0%	-0,3%			
BMO Long Provincial Bond Index ETF	9,5%	8,7%	-0,8%	7,2%	6,5%	-0,7%	5,0%	4,2%	-0,8%			
Horizons US 7-10 Year Treasury Bond ETF	5,0%	4,6%	-0,4%	3,8%	3,4%	-0,4%	2,6%	2,2%	-0,4%			
Canadian Equity	11,2%	12,9%	1,7%	16,1%	17,8%	1,7%	21,1%	22,8%	1,7%	33,0%	33,0%	0,0%
BMO S&P/TSX Capped Comp. Index ETF	9,0%	10,3%	1,3%	12,9%	14,3%	1,4%	16,9%	18,2%	1,3%	26,4%	26,4%	0,0%
BMO Low Volatility Canadian Equity ETF	2,2%	2,6%	0,4%	3,2%	3,6%	0,4%	4,2%	4,6%	0,4%	6,6%	6,6%	0,0%
Global Equity	22,8%	26,1%	3,3%	32,9%	36,2%	3,3%	42,9%	46,2%	3,3%	67,0%	67,0%	0,0%
Schwab US Broad Market ETF	9,3%	10,6%	1,3%	13,4%	14,7%	1,3%	17,5%	18,8%	1,3%	21,5%	21,5%	0,0%
BMO MSCI USA High Quality Index ETF	2,7%	3,0%	0,3%	3,8%	4,2%	0,4%	5,0%	5,4%	0,4%	11,7%	11,7%	0,0%
ProShares S&P 500 Dividend Aristocrats ETF	1,3%	1,5%	0,2%	1,9%	2,1%	0,2%	2,5%	2,7%	0,2%	5,9%	5,9%	-0,1%
iShares Core MSCI EAFE ETF	6,0%	6,9%	0,9%	8,6%	9,5%	0,9%	11,3%	12,1%	0,8%	17,6%	17,6%	0,0%
Franklin FTSE Japan ETF	1,5%	1,7%	0,2%	2,2%	2,4%	0,2%	2,8%	3,0%	0,2%	4,4%	4,4%	0,0%
iShares Core MSCI Emerging Markets ETF	0,8%	0,9%	0,1%	1,2%	1,3%	0,1%	1,5%	1,7%	0,2%	2,4%	2,4%	0,0%
Schwab Fundamental EM Large Co. Index ETF	1,2%	1,4%	0,2%	1,8%	1,9%	0,1%	2,3%	2,5%	0,2%	3,6%	3,6%	0,0%
Alternatives	3,0%	3,0%	0,0%	3,0%	3,0%	0,0%	3,0%	3,0%	0,0%	0,0%	0,0%	0,0%
NBI Liquid Alternatives ETF	3,0%	3,0%	0,0%	3,0%	3,0%	0,0%	3,0%	3,0%	0,0%			

Contact us:



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