

Quarterly Asset Evolution Report

Meritage Tactical ETF Portfolios



meritage
PORTFOLIOS®

Agile. Diligent. Proactive.

Summary of Tactical adjustments

2023 | Q4

Increased positions for the quarter

Fixed Income

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

Global Equity

- Added Franklin FTSE Japan ETF (FLJP) on 30 November 2023
- Schwab US Broad Market ETF
- ProShares S&P 500 Dividend Aristocrats ETF

Decreased positions for the quarter

Canadian Equity

- BMO S&P/TSX Capped Composite Index ETF

Global Equity

- iShares Core MSCI EAFE ETF

Cash

- NBI Altamira *CashPerformer*®

Rationale

- ▶ In recent months, the likelihood of a scenario where central banks would have been forced to tighten monetary conditions further has diminished significantly, given the sustained slowdown in inflation, the weakening job market, and the decline in oil prices. Against this backdrop, we believe it is now time to deploy the cash position via a greater overweight in bonds.
- ▶ To a lesser extent, and in order to manage positioning risks, we are also increasing our allocation to equities, which nevertheless remain significantly underweight.
- ▶ Geographically, we are reducing Canadian stocks in favour of an overweight in U.S. and EAFE equities, while emerging markets remain underweight. Finally, we are adding a new position in Japanese equities via an ETF tracking the FTSE Japan Index (FLJP).
- ▶ Within equity regions, we are bringing our strategy closer to the recommendations of our relative momentum model, which has for some time favoured the U.S. and EAFE relative to Canada and emerging markets.

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

Contact us:



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