

Market Pulse - Tactical Positioning Insight

SIA Equity Action Call™ FAVORED

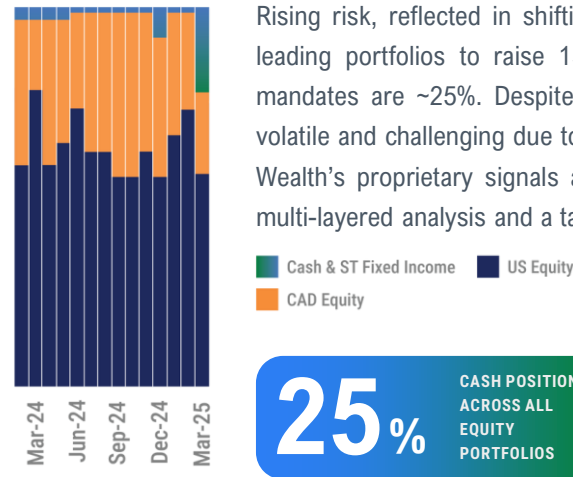
2025-01-01 to 2025-04-04



In 2025, SIA’s macro market indicator has remained in the Favored zone to the end of April 8, 2025, signaling an overweight to equities on a longer-term timeframe but looking deeper shows more cracks.

SIA ASSET CLASS RANKINGS

Equity markets began the year strongly, boosted by a new U.S. government and a bullish earnings season, with all 11 industry groups posting gains in January. However, February saw declines in 10 of the 11 groups, signaling a market pause. By March 6, Cash rose to #2 in the SIA Asset Class rankings and reached #1 by March 11, reflecting growing market risk. As of April 8, Cash remains ranked #2.



Rising risk, reflected in shifting money flows, prompted SIA indicators to adopt a more defensive stance, leading portfolios to raise 15 - 20% cash by mid-March. As of April 8, cash weightings across equity mandates are ~25%. Despite the Equity Action Call™ remaining in the Favored zone, markets have been volatile and challenging due to event-driven reactions to the Trump Administration’s global trade policies; SIA Wealth’s proprietary signals and asset class rankings alerted this growing risk, underscoring the value of multi-layered analysis and a tactical approach to risk reduction.

SECTOR ALLOCATIONS

Several key sector trend changes occurred in Q1 2025. By February, gains by Gold and Utilities alongside declines in cryptocurrencies and cyclicals signaled a defensive rotation. **SIA Wealth reduced exposure to technology**, particularly semiconductors (despite strong 2024 performance) and Consumer Discretionary, **while increasing allocations to Materials and Consumer Staples**. By late March, exposure to Short-Term Fixed Income, Communications, Industrials and defensive positions increased.

SUMMARY

In 2025, markets saw a strong January, followed by weakness in February and March, and panic in early April. Q2 began with notable sector, asset class, and individual stock rotations. Equity risk has risen alongside ongoing geopolitical uncertainty. Though SIA Wealth manages high conviction, highly concentrated mandates that might suggest greater downside capture during market stress, the relative strength process is designed to identify strength in rising markets and simultaneously avoid weakness in falling ones. The True Tactical™ ability to raise Cash across mandates strengthens risk management when it matters most. Recent performance vs. benchmarks, particularly over the last 2 weeks ending April 8, 2025, highlights the risk management capabilities while shifting to defensive sectors in this uncertain volatile market while also being positioned to capture upside through its concentrated positions should the market rally.

Fund Name	YTD 2025	Last 2 Weeks
BMO SIA Focused North American Equity Fund/ETF – F (BMO95258, ZFN)	-9.37%	-8.66%
Benchmark	-12.33%	-12.67%
Outperformance	2.96%	4.01%
BMO Tactical Global Equity ETF Fund – F (BMO95217)	-9.88%	-9.67%
Benchmark	-12.95%	-13.62%
Outperformance	3.07%	3.95%
BMO Tactical Global Asset Allocation ETF Fund – F (BMO95763)	-5.07%	-5.29%
Benchmark	-7.51%	-8.48%
Outperformance	2.44%	3.19%
BMO SIA Focused Canadian Equity Fund/ETF – F (BMO95257, ZFC)	-11.70%	-6.17%
Benchmark	-8.24%	-10.95%
Outperformance	-3.46%	4.78%