

JUNE 20, 2022 TACTICAL ASSET ALLOCATION UPDATE

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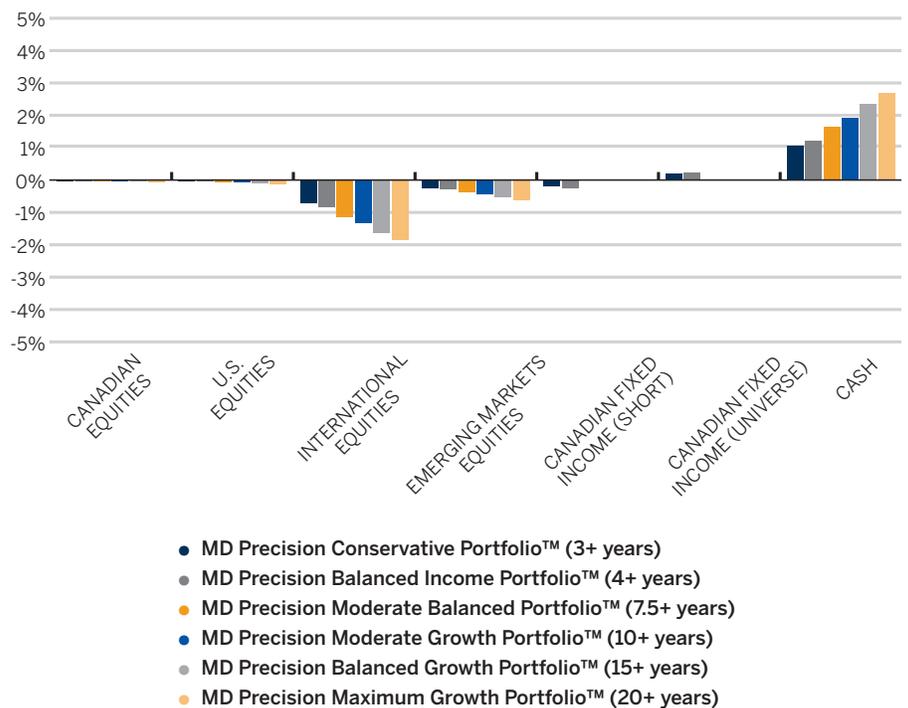
After a detailed review of global economic and financial market conditions, MD Financial Management (MD) has made the following changes to the tactical asset allocation of the MD Precision Portfolios™ suite.

- We further decreased our allocation to **equities** — we are underweight equities overall relative to cash and fixed income. Prospects for the global economy have degraded and the risk of recession has increased. Additionally, inflation remains elevated and financial conditions continue to tighten. The situation is further complicated by the ongoing invasion of Ukraine and pandemic-related restrictions in China.
- We proportionally decreased our allocation to **Canadian equities** and remain slightly underweight.
- We proportionally decreased our allocation to **U.S. equities** to a slightly underweight position. We still prefer U.S. equities on a relative basis as it remains better insulated from geopolitical concerns in Europe and earnings growth is expected to remain strong.
- We proportionally decreased our allocation to **international equities** and remain underweight. The risk of recession remains higher in the Eurozone than in other markets.
- We remain underweight **emerging market equities**.
- We remain neutrally positioned to **fixed income** overall.
- We increased our allocation to **cash** and remain overweight to fulfil our equity positioning.

PORTFOLIO CHANGES

Bars that are above the 0% baseline indicate an overweight position versus the portfolios' strategic asset allocation, while bars below the 0% baseline indicate an underweight position.

“Underweight” and “overweight” are relative terms, linked to the strategic asset allocation outlined in the simplified prospectus. An underweight position indicates a lower weighting and is generally an indication of the relative unattractiveness of an asset class. An overweight position indicates a higher weighting and is generally an indication of the relative attractiveness of an asset class.



Note: The number of years (in parentheses) indicates the investment time horizon.

WHY MAKE TACTICAL ASSET ALLOCATION DECISIONS?

MD makes tactical asset allocation decisions to shift the positioning of your portfolio in response to trends in financial markets. These decisions are made as market conditions change. Through discussions with our research partners, we look for temporary, short-term opportunities that may increase returns and/or reduce the risk of your portfolio. This is distinct from your portfolio's strategic asset allocation, which maintains a longer-term view.

TACTICAL VERSUS STRATEGIC ASSET ALLOCATION

MD Precision Portfolios allow investors to benefit from a combination of tactical and strategic asset allocation. With our tactical decisions, we look for temporary, shorter-term opportunities, based on an outlook of six to 18 months, which can potentially increase the return and/or reduce the risk of your portfolio.

Strategic asset allocation reflects the policy weights (asset mix) that have been set for your portfolio based on your investment needs and objectives.

We overlay the tactical asset allocation decisions on the strategic asset allocations that support each of the portfolios. This means that we may temporarily deviate from the strategic allocations to take advantage of short-term opportunities. Tactical decisions are made within a defined range and "risk budget" (the amount of risk allowed for each portfolio).

MD'S UNIQUE TACTICAL ASSET ALLOCATION APPROACH

Ongoing, comprehensive monitoring of global economic and financial market conditions drives our tactical asset allocation decisions. As conditions change, opportunities may present themselves. To identify these opportunities, MD uses in-depth economic research from industry-leading sources in combination with our proprietary investment management methodology.

MD's process takes multiple variables into account, including the macroeconomic environment, financial market conditions, market risk indicators and fundamental trends.

MD's tactical asset allocation process is designed to make the following decisions:

- **Equities versus fixed income**—Is the environment set to support equities or better suited for the stability of fixed income?
- **Relative equity**—Within equities, which geographical locations provide the most potential?
- **Relative fixed income**—Within fixed income, are short-term or longer-term bonds more attractive?
- **Currencies**—How will the foreign currencies of our foreign investments behave relative to the Canadian dollar?

Tactical asset allocation decisions are supported by rigorous analysis and are adapted to the unique needs of MD clients.

Contact your MD Advisor* today.

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* MD Advisor refers to an MD Management Limited Financial Consultant or Investment Advisor (in Quebec).

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed. Their values change frequently and past performance may not be repeated. To obtain a copy of the prospectus, please call your MD Advisor, or the MD Trade Centre at 1 800 267-2332. The MD Family of Funds is managed by MD Financial Management Inc.

Mutual funds that invest in corporate or provincial bonds are examples of "fixed-income" investments as the bond holdings are specifically structured to generate a fixed level of income over a period of time.

Mutual funds that invest in shares in publicly traded companies are examples of "equity" investments. The value of these investments will fluctuate as items like the relevant company's performance or market opinion fluctuate. If a mutual fund focuses on investing in companies based in the United States, for example, it would be considered a "U.S. equity."

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