
Portfolio Allocation

During the month of June, the GTAA strategy moved away from its ultra-defensive posture and had a moderate percentage of the portfolio allocated to risk assets.

Specifically, the strategy had a 10% allocation to U.S. Stocks, a 10% allocation to Japanese stocks, and a 10% allocation to U.S. preferred shares. The remaining 70% of the portfolio was 25% invested in long-term Treasuries and 45% invested in short-term U.S. investment grade corporate bonds.

From a performance attribution perspective, our 10% exposure to U.S. stocks rose 1.8%, our 10% position in Japanese stocks fell 0.1%, and our 10% position in U.S. preferred shares fell 0.9%. In terms of our remaining "safe bucket" positions, our 25% exposure to long-term Treasuries rose 0.3%, and our 45% exposure to short-term U.S. investment grade corporate bonds rose 0.9%. In addition, the performance of our CAD-based accounts was tempered by a 17.5% long USD vs. CAD exposure, which declined 1.4%.