

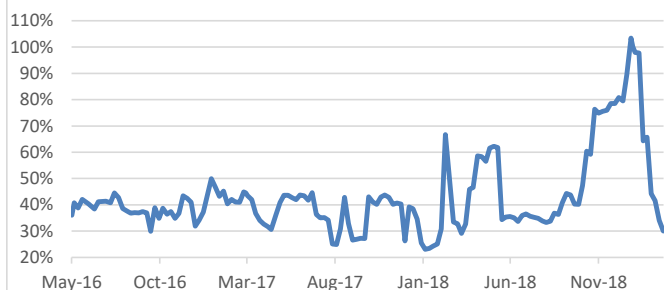
BMO Tactical Global Growth ETF Fund

Defense

BETA SCORE

Offense

Beta (risk) Metrics



As of: May 31 2019	05/31/19	05/24/19	Change
FX (USD)	18.5%	18.4%	0.1%
Beta ²	20.6%	21.2%	-0.6%
Correlation	13.5%	15.0%	-1.5%
Yield ³	3.13%	3.21%	-0.08%
ETF Holdings	17	17	0
Volatility ⁴	6.52%	6.54%	-0.02%
CAD	1.3516	1.3437	0.6%

Performance Metrics

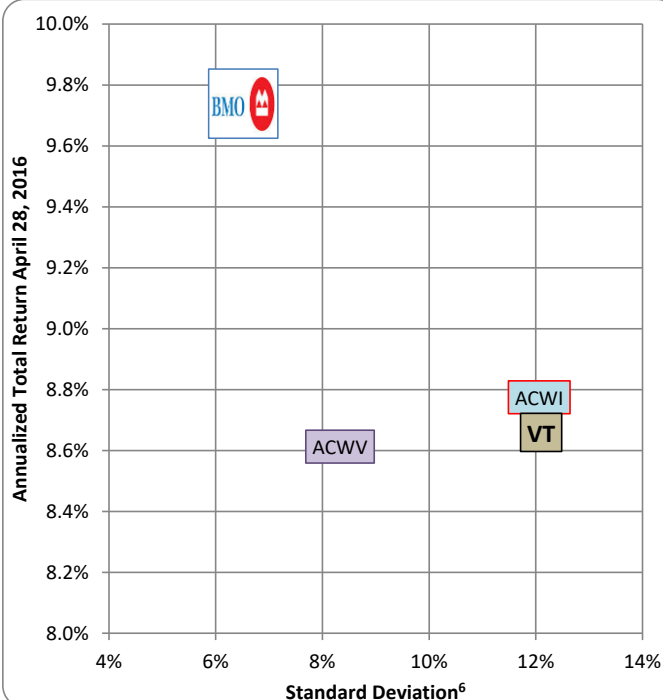
Total Return	Net	Gross	Upside/Downside ⁵
YTD	8.26%	9.03%	Upside 47%
Prev. Qtr.	-0.15%	0.32%	Downside 27%
Prev. Year	2.82%	4.74%	Months Up 29
Since Inception	26.66%	32.34%	Months Dn 8
Annualized SI	7.89%	9.74%	
Sharpe Ratio		1.49	

Market Strategy (Risk Management)

DEFENSE: The current beta is 20.6% vs. the benchmark of 100% down from 21.2% last week. The global equity market benchmark declined 6% in May, our growth fund was down a sleep-at-night 67bps. The best asset class to own last month was US long bonds (TLT +7.8% in C\$) and we had a significant exposure. We cut the exposure in half from where it was at the beginning of the month as it no longer offers the same upside with long bond yields at 2.60% and the vast majority of the US yield curve inverted. We expect the first zone of support for the S&P 500 around 2650 where we will tactically put some defensive holdings back to work. We expect the 2350 lows will be tested if there is no trade deal with China in June. It's clear the people running the US economy are going to TAX American consumers and crush global trade.

Top Holdings

Ticker	Name	Position
ZST	BMO Ultra Short-Term Bond ETF	41.3%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	7.2%
ZWP	BMO Europe High Dividend Covered Call ETF	6.8%
ZGD	BMO Equal Weight Global Gold Index ETF	6.1%
AML	Alerian MLP ETF	3.6%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	3.5%
TLT	iShares 20+ Year Treasury Bond ETF	3.3%
IYZ	iShares US Telecommunications ETF	2.8%
DXJ	WisdomTree Japan Hedged Equity Fund	2.8%
ZPW	BMO US Put Write ETF	1.8%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.7%
EW	iShares MSCI Mexico ETF	1.0%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.8%
EIDO	iShares MSCI Indonesia ETF	0.7%
INDA	iShares MSCI India ETF	0.4%
ZLI	BMO Low Volatility International Equity ETF	0.1%
ZWU	BMO Covered Call Utilities ETF	0.0%
Total		83.9%

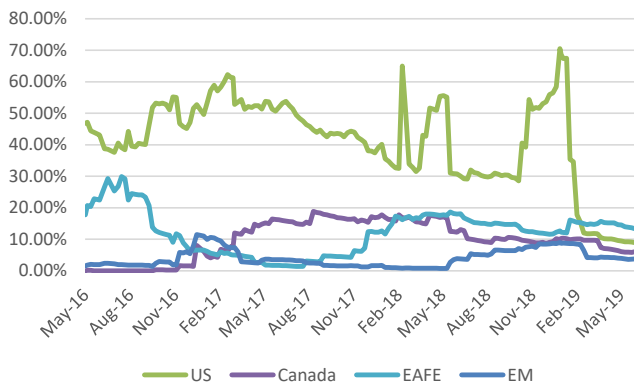


Fund Codes:

No Load: GGF70762; Advisor GGF99762; Low Load GGF98762; F-Class GGF95762

Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
05/31/19	8.9%	6.1%	13.4%	3.8%
05/24/19	9.1%	5.9%	13.7%	3.7%
Change	-0.2%	0.2%	-0.3%	0.1%



Sector	05/31/19	05/24/19	Change
Financials	3.48%	3.53%	-0.1%
Energy	5.12%	5.23%	-0.1%
Health Care	2.01%	2.05%	0.0%
Technology	1.18%	1.20%	0.0%
Industrials	2.89%	2.95%	-0.1%
Discretionary	2.82%	2.85%	0.0%
Real Estate	0.44%	0.44%	0.0%
Staples	1.99%	2.02%	0.0%
Telecom	3.70%	3.85%	-0.1%
Utilities	0.59%	0.60%	0.0%
Materials	7.93%	7.60%	0.3%
Government	10.19%	14.55%	-4.4%
Corporate	41.52%	41.82%	-0.3%
C\$ Cash	23.58%	23.37%	0.2%
US Cash	-7.44%	-12.05%	4.6%
Preferred	0.00%	0.00%	0.0%
Commodity	0.00%	0.00%	0.0%

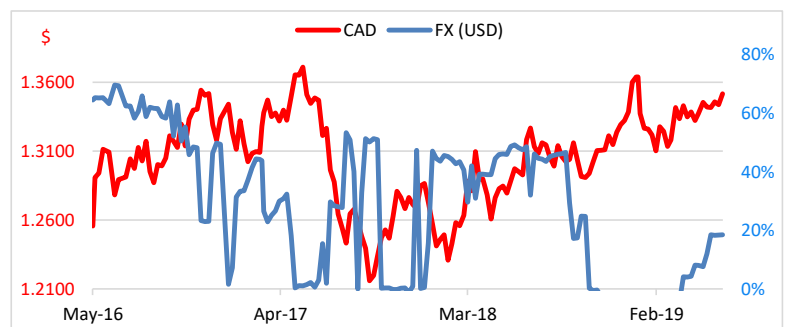
Bonds	Corp.	Govt.	Pref.	Cash
05/31/19	41.5%	10.2%	0.0%	16.1%
05/24/19	41.8%	14.5%	0.0%	11.3%
Change	-0.3%	-4.4%	0.0%	4.8%

Equity Allocation Country/Sector Trades

Late in the cycle with the yield curve now inverting, you MUST err on the side of playing defense as we have once again. Globally, economic data continues to soften. We are heading into a late cycle bear market and there is not much in the policy toolbox to change that though the Fed has backed off hiking. The curve is pricing in a rate cut or two this year, which would be unprecedented while at full employment. Japan is cheap and has some great dividend payers. They have been the poster child for anemic growth for decades. Sadly, the US is heading in this direction along with most of the developed world and China that is rapidly aging. There are policy tools to fix the issues, but politically impossible to implement because it largely involves austerity budgets and reduction of promises (benefits) which makes it near impossible to implement. We will tend to shift money to places like Japan and the UK that have good dividend payers and much better valuations. Emerging markets has some of these exposures too along with tilting towards a weaker US dollar scenario as the Fed will need to take rates to zero again while the rest of the developed world cannot get off of them. Low beta, low volatility, value, high dividend, high quality are all relatively attractive. Option strategies to enhance yield will play a big role as well in recessionary portfolio construction. Currency exposure will be a significant contributor as well. We see the C\$ staying weak well into 2020.

Fixed-Income/Currency/Commodity Strategy & Trades

It is clear to us that we are heading for a recession and a prolonged bear market environment. Historically, bonds and duration will play an increasing role in portfolio construction and capital preservation. We have started to nibble at Emerging Market Local currency government debt (EMLC) as well as long duration in USTs (TLT) on weakness. This is a growth at a reasonable price portfolio and we will increasingly seek to grow the portfolio with duration exposure. As the Fed looks to cut rates, gold (and gold equity) exposure should provide some growth as well. A weaker US dollar trend will see us shift assets to higher yielding currencies as well. Emerging market local currency debt seems particularly attractive. As for the C\$, we see it below 70 cents at the trough of the next recession and it should struggle to move above 76 cents. We will add to US\$ exposure during periods of C\$ strength. The fact that the market is pricing in US rate cuts is a mitigating factor.



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1 Benchmark is the return of the targeted portfolio 100% global equities hedged to Canadian dollars; 2 Beta is a measure of how a fund responds to moves in the broader market. A beta of greater than 1.0 suggests that the fund is more volatile than the market, while a beta of less than 1.0 suggests that the fund is less volatile. 3 Yield is the most recent income received by the fund in the form of dividends, interest and other income annualized based on the payment frequency, divided by the current market value of the fund's investments. 4 Volatility is the annualized standard deviation which is a measure of risk. 5 Upside/Downside is a statistical measure of how much of the fund performance a manager captured during up-markets or down-markets. Typically, an investor would prefer a higher upside capture and lower downside capture. The time period presented is since inception. 6 Standard Deviation is a measure of risk that calculates the variation of a fund's performance around its average over a specific time period. ® "BMO (M-bar roundel)" is a registered trade-mark of Bank of Montreal, used under licence. ETF Capital Management is a registered trade name of Quintessence Wealth, a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer registered with the Canadian Securities Administrators.