



Core Tactical/Strategic Portfolio Outlook/Adjustments

Our chart of the week highlights the total return performance between gold equities (GDX), which we have been reducing as a holding over the past 18 months as a risk mitigator in the yield focused fund. We are now completely sold out. The proceeds went into emerging markets high dividend exposure (DEM). Since the start of the war, DEM declined 13% and GDX rallied about the same. The swap was compelling. The GDX exposure has been a weight on the portfolio until risk of the war priced into asset markets over the past month. The underlying trailing yield in the portfolio is now up to 5.27%. We look to target a high yield and lower volatility until we see clarity that "stagflation" and economic risks have normalized and the Central banks do not have to crush economic growth to fight cost push inflation they do not have the tools to fight.

Macro Market Strategy

Tactical opportunity suggests more of a dip buying bias for now. Watching the evening news suggests to sell the rips. Volatility remains extreme with a significant headline risk. Not too surprising with the biggest military action in Europe since WWII. We still see the volatility curve inverted and sentiment still very bearish while seasonals are not supportive. This lens supports selling rips. The headlines should provide two-way trade opportunity in the coming weeks. The big picture is central banks fighting inflation, which was complicated by more geopolitical stress on supply chains and credit risk in assets linked to Russia. Expect a supportive FOMC this week, but the risk of a policy mistake is high on Wednesday. Buy a break to new lows on a Fed mistake for a trade on the oversold nature of the market, but don't party too long unless there is a ceasefire to back it up.

PRO-EYES - Berman's Call

The current core portfolio beta is 59.6% The current degree of beta protection is about -9%.

The tactical PRO-EYES factor remains the most oversold since the extremes of COVID, but the big picture suggests end of cycle risks which means rallies should be sold and the market can offer good two-way trade opportunities. Increase the tactical focus and bring out the end of cycle playbook until inflation cools and there is visibility to the end of the rate hike cycle. Forward money market curves suggest easing in 2024 and beyond. The next year or two will likely be extremely choppy.

Performance Metrics (A-Series) as of (03/11/22)

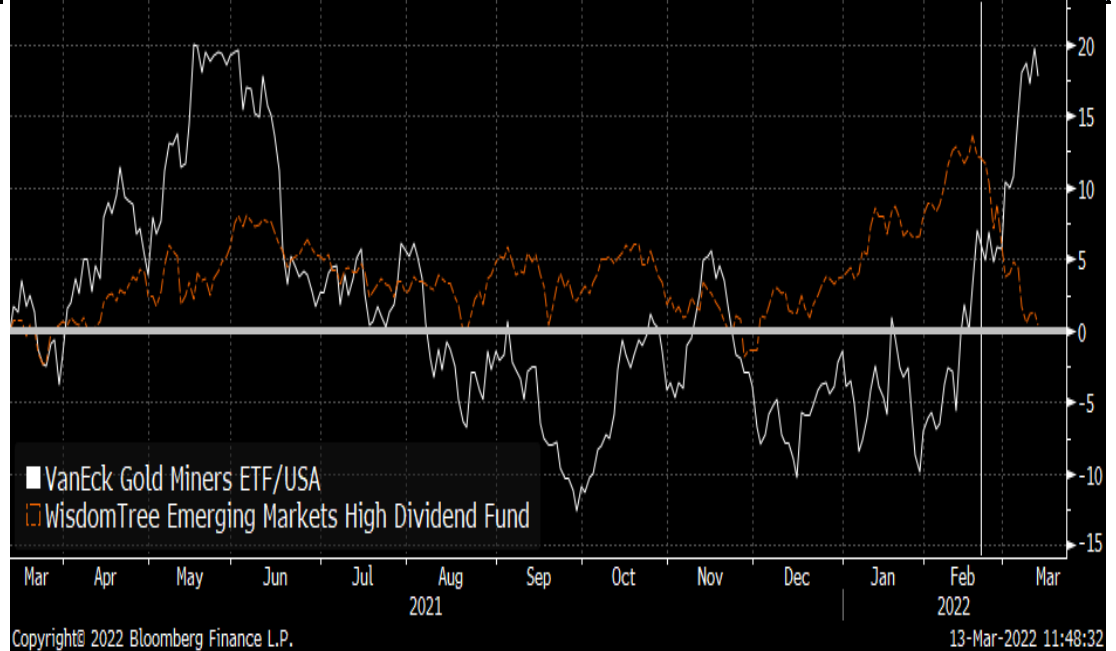
Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-4.25%	-3.88%	Upside	24%
Previous Quarter	-2.87%	-2.39%	Downside	51%
Previous Year	1.85%	3.77%	Months Up	67
3-Year	-2.45%	-0.53%	Months Dn	35
5-Year	-0.04%	1.88%		
Ann. SI (08/12/13)	3.02%	4.94%	Sharpe Ratio	0.37

Fund Codes:	No Load Retail: BMO70734
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Top Holdings

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Chart of the Week



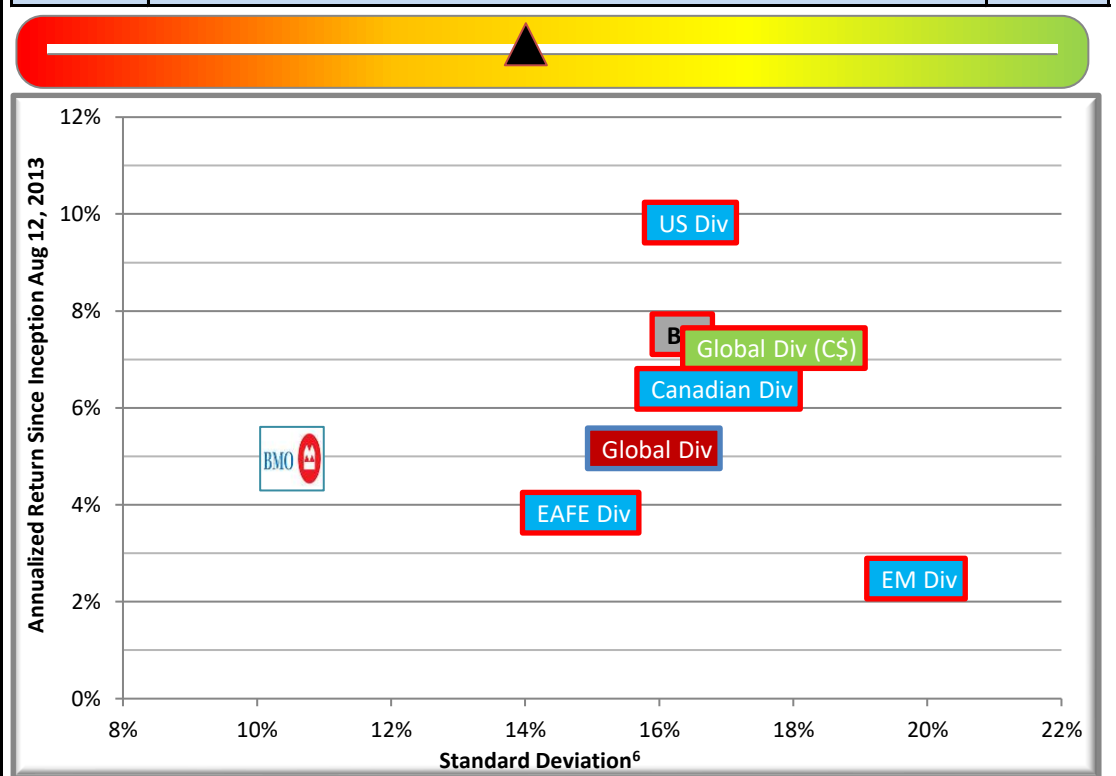
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Defense

Core Beta: 59.6%

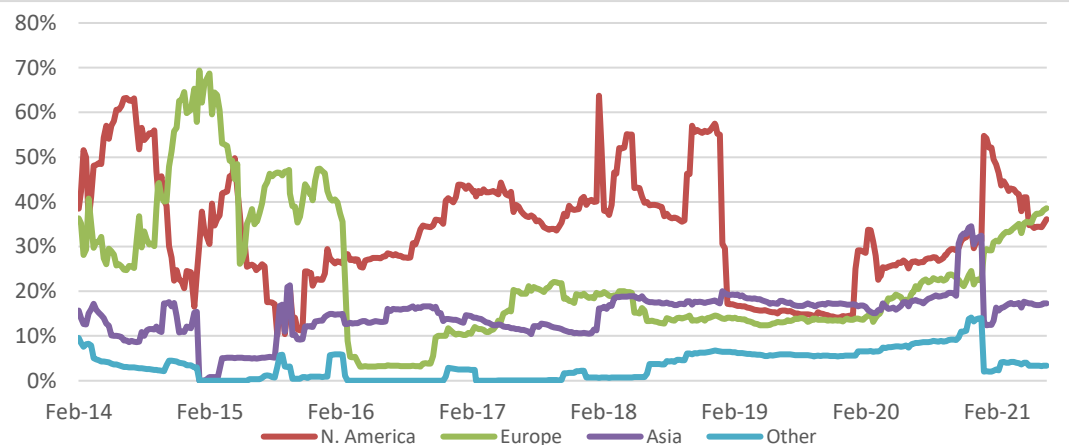
Offense



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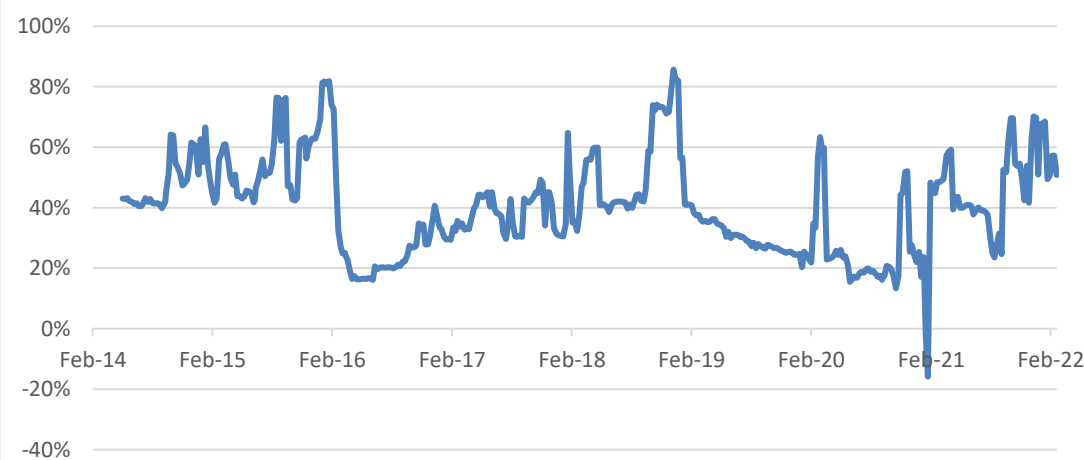
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
03/11/22	21.0%	44.5%	25.5%	5.5%
03/04/22	25.0%	45.2%	22.8%	4.5%
Change	-4.0%	-0.7%	2.7%	1.0%
Benchmark	70.4%	15.6%	12.1%	2.0%



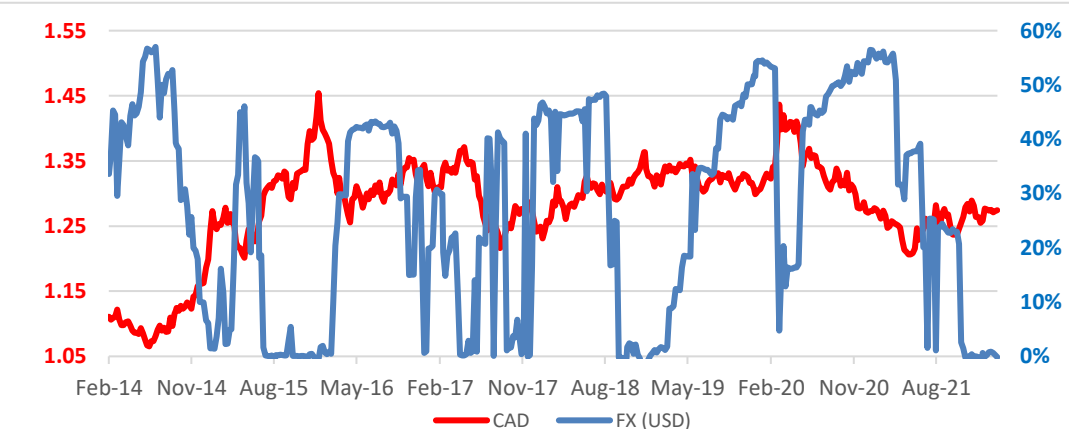
Sector	3/11/22	3/04/22	Change	BM
Basic Materials	7.92%	12.60%	-4.7%	7.9%
Communications	8.23%	7.30%	0.9%	8.7%
Consumer, Cyclical	10.77%	10.38%	0.4%	4.3%
Consumer, Non-cyclical	24.53%	23.70%	0.8%	8.9%
Energy	3.61%	2.93%	0.7%	11.5%
Financial	20.96%	18.20%	2.8%	29.7%
Industrial	8.31%	8.92%	-0.6%	0.0%
Technology	7.35%	7.91%	-0.6%	2.6%
Utilities	3.96%	4.98%	-1.0%	0.0%

Net Beta (Core - Protection): 50.8%



As of: 03/11/22	03/11/22	03/04/22	Change
FX (USD)	-0.2%	0.3%	-0.4%
Beta ²	59.6%	66.4%	-6.9%
Protection	-8.8%	-9.2%	0.4%
Correlation	97.9%	100.8%	-2.8%
Yield ³	5.27%	5.06%	0.21%
ETF Holdings	7	8	-1
Volatility ⁴	10.53%	10.44%	0.08%
CAD	1.2744	1.2731	0.1%

Tactical FX Exposure (USD)



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