



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

While technology (and the more oversold stocks led the recovery last week, we see more short covering than new money seeking growth. It's way, way, way too early for that thinking. But Bullard's walk back on the FOMC over doing it and the potential for a pause in rate hikes later this year, has pacified the bears for now. What brings the bulls back. The death of inflation pressures and the continuation of growth. Way, way, way too early to make that bet. But many of the growth sectors in technology are no longer extremely over valued and our buying into tech during the May carnage should payoff. We made no additional trades this week.

Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. Better than expected tax receipts should push the negative funding pressure from QT into 2023. Once QT starts, to have an impact, we would be more concerned that equity risk premiums will rise and multiples will contract. The risk of a policy mistake is significant. The FOMC hawkish walk back by Bullard putting rate cuts on the table for 2023/24 now reflects the shape of the money market curves. The Fed put is still there, but sticky inflation will be the challenge. For the next few months, the mathematics of rates-of-change should pacify inflation fears. Longer-term inflation expectations (seen in the chart of the week 5-year, 5-year breakeven swap) are elevated, but anchored.

Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	19.9%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	19.5%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	10.2%
ZEM	BMO MSCI Emerging Markets Index ETF	7.3%
FLGB	Franklin FTSE United Kingdom ETF	5.7%
KWEB	KraneShares CSI China Internet ETF	3.8%
GDX	VanEck Gold Miners ETF/USA	3.6%
FLJH	Franklin FTSE Japan Hedged ETF	3.4%
URA	Global X Uranium ETF	2.9%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.6%
ZCLN	BMO Clean Energy Index ETF	2.3%
PAVE	Global X US Infrastructure Development ETF	2.3%
MJ	ETFMG Alternative Harvest ETF	2.1%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.1%
FLIN	Franklin FTSE India ETF	2.0%
VNM	VanEck Vietnam ETF	1.8%
FLBR	Franklin FTSE Brazil ETF	1.6%
XBI	SPDR S&P Biotech ETF	1.0%
CLOU	Global X Cloud Computing ETF	1.0%
CIBR	First Trust NASDAQ Cybersecurity ETF	1.0%

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Medium**

The core portfolio beta is 92.4%. The degree of delta protection is 0% while the value of beta protection is 0%.

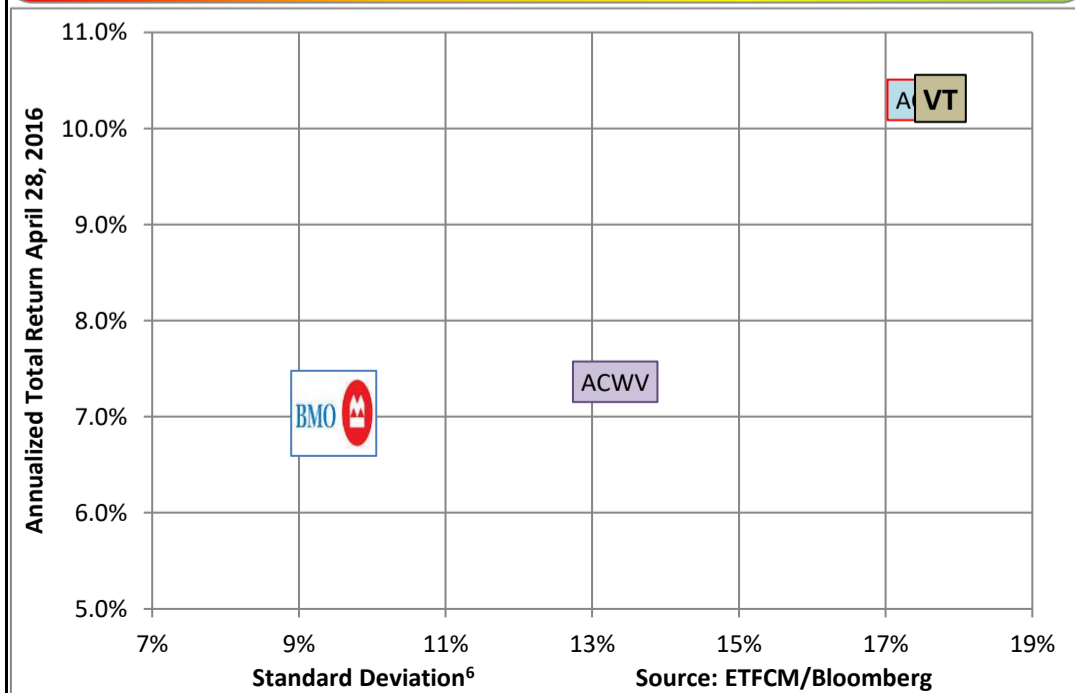
The tactical PRO-EYES factor suggests more dip buying opportunity exists than not. However, the trend of liquidity in business conditions is likely to get worse before it improves. The fact the FOMC has now talked about 2023/24 rate cuts, markets should stabilize. Valuation metrics have yet to reflect a recession and that is the overriding risk. This likely means there will be more two-way opportunities in assets until the inflation cycle is under control. We expect it will be stickier than the market believes and the FOMC will have difficulty with a soft landing scenario.

Performance Metrics (A-Series) as of (05/27/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-2.24%	-1.50%	Upside	20%
Prev. Qtr.	-2.04%	-1.56%	Downside	32%
Prev. Year	-0.45%	1.47%	Months Up	51
Since Inception	35.61%	46.76%	Months Dn	20
Ann. SI (04/28/16)	5.12%	7.04%		
Sharpe Ratio		0.74		

Fund Codes: No Load Retail: BMO70762

Defense **Core Portfolio Beta: 92.4%** Offense



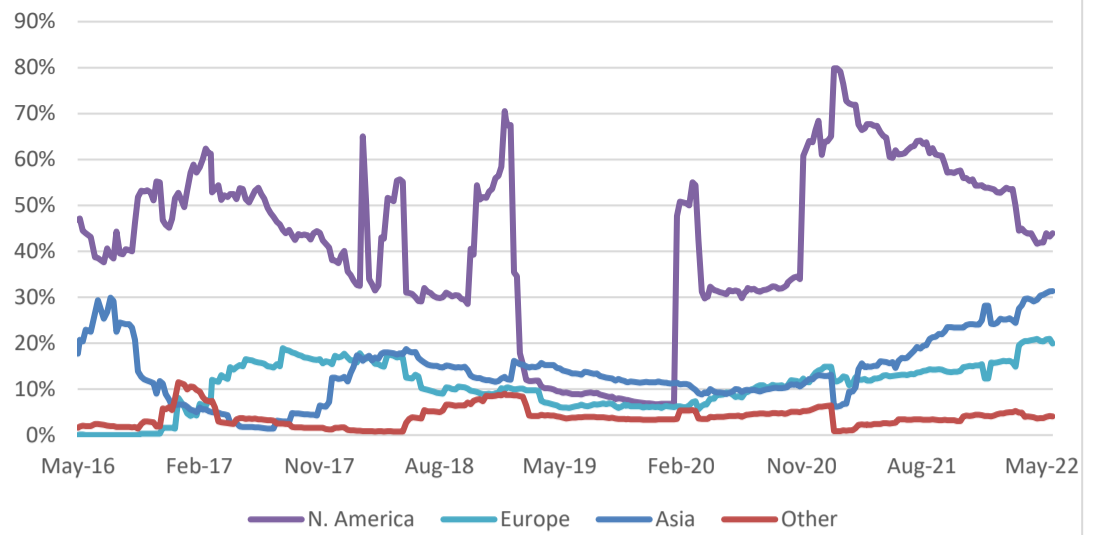
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Tactical Asset Allocation

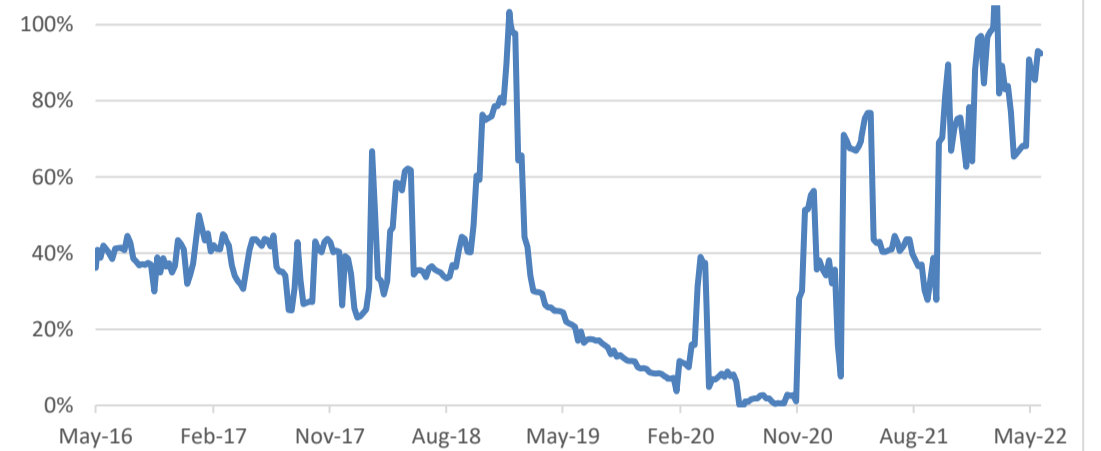
Equity	N. America	Europe	Asia	Other
05/27/22	43.9%	19.9%	31.3%	4.1%
05/20/22	43.2%	20.9%	31.3%	4.1%
Change	0.7%	-1.0%	0.0%	0.0%

Sector	05/27/22	05/20/22	Change	BM
Basic Materials	12.35%	12.57%	-0.2%	4.8%
Communications	11.97%	11.72%	0.2%	10.5%
Consumer, Cyclical	9.32%	9.19%	0.1%	10.5%
Consumer, Non-cyclical	18.59%	18.82%	-0.2%	20.2%
Energy	5.51%	5.52%	0.0%	4.9%
Financial	13.46%	14.05%	-0.6%	18.9%
Government	0.03%	0.04%	0.0%	18.9%
Industrial	9.61%	9.79%	-0.2%	10.1%
Technology	15.02%	14.43%	0.6%	17.0%
Utilities	3.28%	3.34%	-0.1%	3.0%

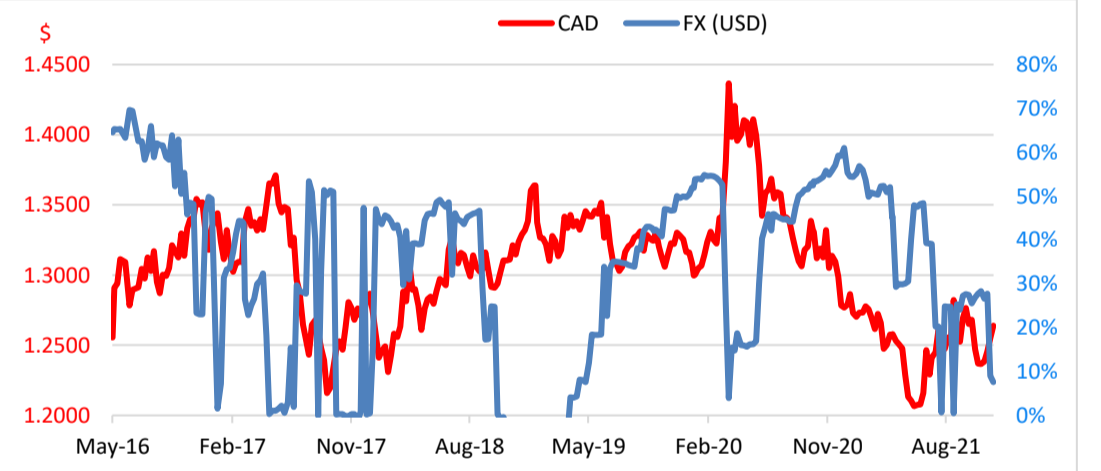
As of: May 27 2022	05/27/22	05/20/22	Change
FX (USD)	7.1%	6.3%	0.8%
Beta ²	92.4%	93.0%	-0.6%
Protection (Delta)	0.0%	0.0%	0.0%
Correlation	74.7%	75.1%	-0.4%
Yield ³	2.43%	2.54%	-0.11%
ETF Holdings	24	24	0
Volatility ⁴	9.48%	9.80%	-0.32%
CAD	1.2724	1.2840	-0.9%



Net Beta (Core - Protection): 92.4%



Tactical FX Exposure (USD)



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