



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

It's possible that our feature chart of the week is the most important one on the planet for the next few quarters. It's the zero coupon inflation swap. The inset is the YTD blown up. You can see that inflation expectations peaked with the recent spike in CPI and the market response was likely overdone. We should be able to get the S&P 500 back above 4000, but I would argue it will struggle to do better until we see the earnings impact of the recession we may already be in. All should know that earnings are the last shoe to drop and expectations still seem out-to-lunch. We added technology beta to the portfolio in the market carnage the past few weeks. Specifically, Robotics and AI (BOTZ), FinTech (FINX) and next gen innovation (ARKK). We also added to cloud (CLOU) and clean energy (ZCLN). We trimmed exposure to core EAFE and S&P 500.

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. The FOMC is now telegraphing easing to offset. 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 more aggressive path has caught them up to the curve and the terminal rate is now expected in December. This suggests a fall earnings related selloff is a very good buying opportunity. That said, we do not expect higher highs (5000+) until after the 2024 elections. We can expect lots of volatility to remain as the global economy rebalances. Anyone suggesting a more bullish path, we'd like to debate. We look to re-establish a volatility buffer in the coming months.

PRO-EYES - Berman's Call

Risk Level Medium

The core portfolio beta is 97.2%. 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 (06/24/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-6.53%	-5.64%	Upside	20%
Prev. Qtr.	-9.05%	-8.58%	Downside	32%
Prev. Year	-5.60%	-3.68%	Months Up	52
Since Inception	29.67%	40.96%	Months Dn	20
Ann. SI (04/28/16)	4.29%	6.21%		
Sharpe Ratio		0.60		

Fund Codes: No Load Retail: BMO70762

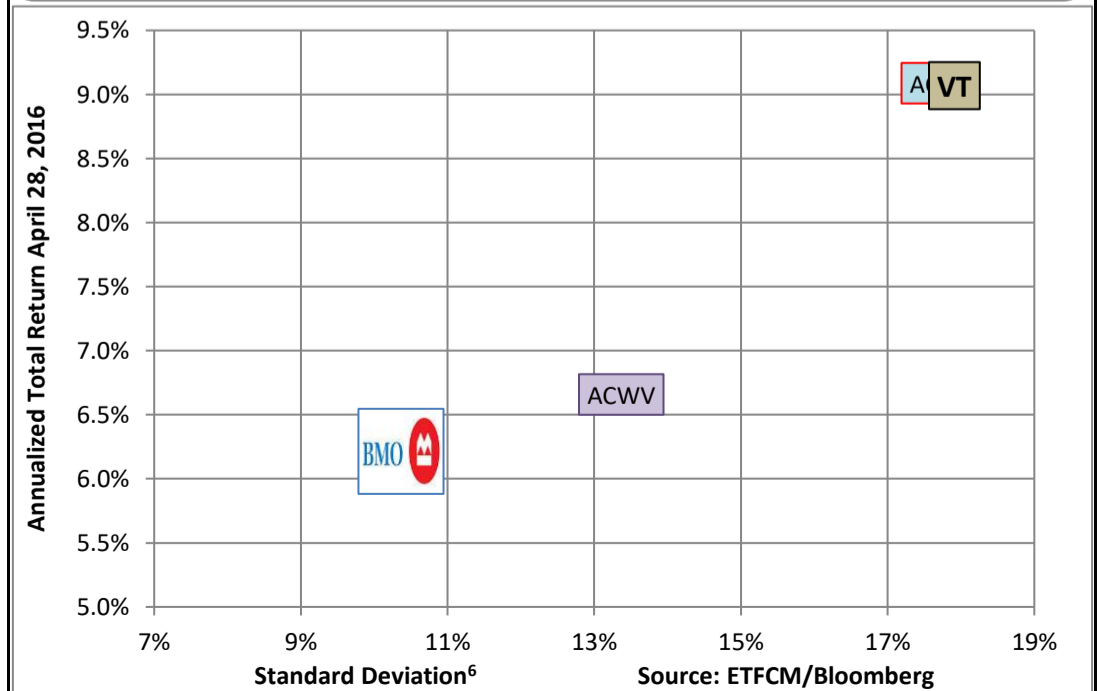
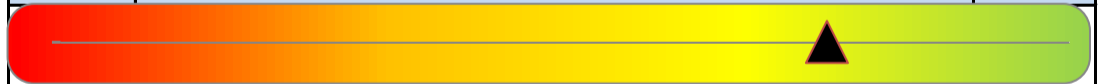
Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	20.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	18.5%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	9.8%
ZEM	BMO MSCI Emerging Markets Index ETF	7.3%
KWEB	KraneShares CSI China Internet ETF	4.6%
FLGB	Franklin FTSE United Kingdom ETF	3.7%
FLJH	Franklin FTSE Japan Hedged ETF	3.4%
GDX	VanEck Gold Miners ETF/USA	3.4%
URA	Global X Uranium ETF	2.6%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.5%
ZCLN	BMO Clean Energy Index ETF	2.3%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.1%
FLIN	Franklin FTSE India ETF	1.9%
MJ	ETFMG Alternative Harvest ETF	1.9%
VNM	VanEck Vietnam ETF	1.7%
FLBR	Franklin FTSE Brazil ETF	1.2%
XBI	SPDR S&P Biotech ETF	1.2%
CLOU	Global X Cloud Computing ETF	1.0%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	1.0%
PAVE	Global X US Infrastructure Development ETF	0.9%

Chart of the Week



Defense Core Portfolio Beta: 97.2% **Offense**



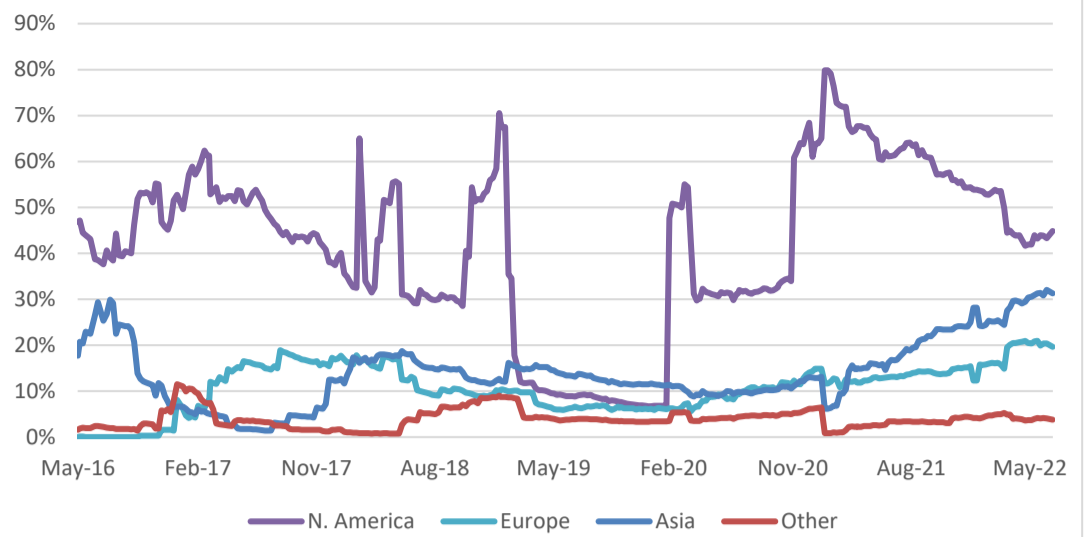
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Tactical Asset Allocation

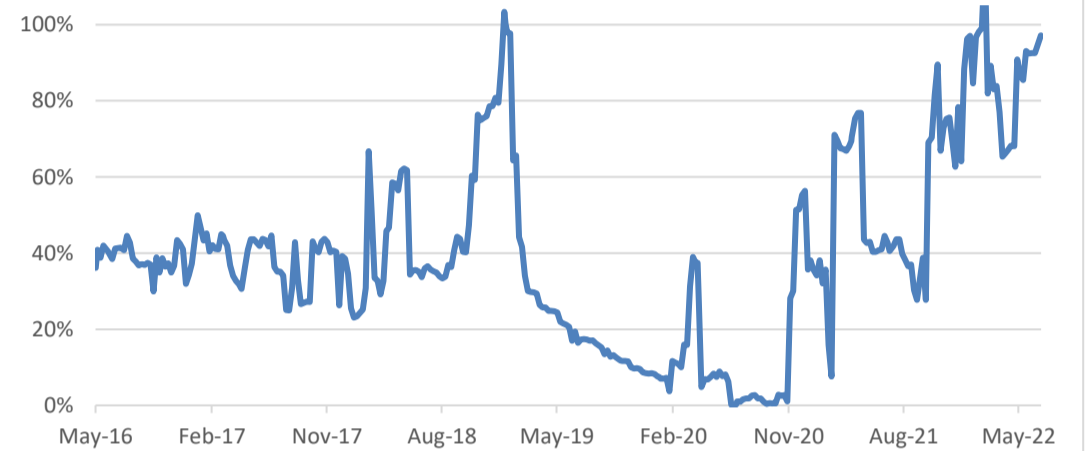
Equity	N. America	Europe	Asia	Other
06/24/22	44.8%	19.6%	31.3%	3.8%
06/10/22	43.3%	20.4%	32.0%	4.1%
Change	1.5%	-0.7%	-0.7%	-0.3%

Sector	06/24/22	06/10/22	Change	BM
Basic Materials	10.73%	12.82%	-2.1%	4.8%
Communications	12.81%	12.29%	0.5%	10.4%
Consumer, Cyclical	9.14%	9.25%	-0.1%	10.2%
Consumer, Non-cyclical	19.10%	17.91%	1.2%	20.0%
Energy	4.85%	5.68%	-0.8%	5.4%
Financial	13.31%	13.94%	-0.6%	19.0%
Government	0.03%	0.03%	0.0%	19.0%
Industrial	9.34%	9.86%	-0.5%	10.2%
Technology	17.04%	14.67%	2.4%	16.8%
Utilities	3.04%	3.21%	-0.2%	3.1%

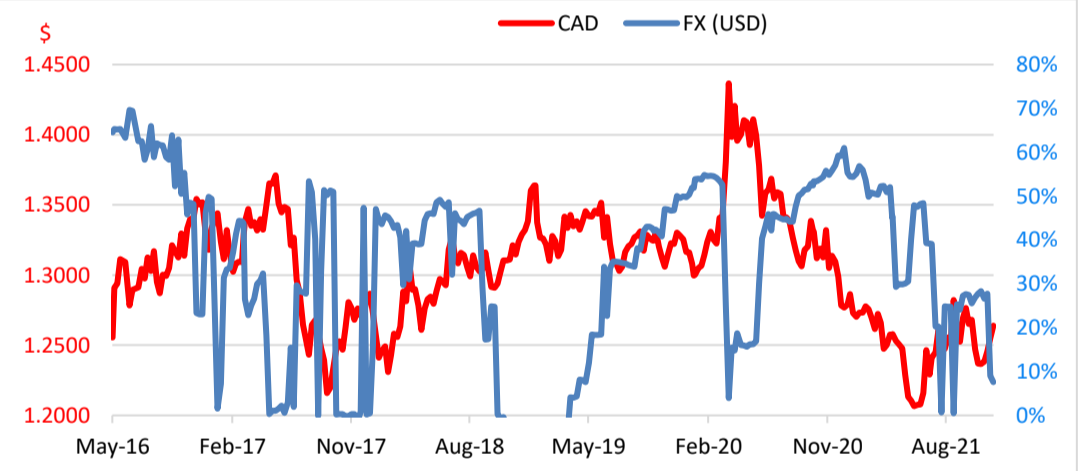
As of: Jun 24 2022	06/24/22	06/10/22	Change
FX (USD)	3.7%	6.7%	-3.0%
Beta ²	97.2%	92.6%	4.6%
Protection (Delta)	0.0%	0.0%	0.0%
Correlation	75.6%	74.4%	1.2%
Yield ³	2.48%	2.55%	-0.07%
ETF Holdings	27	24	3
Volatility ⁴	10.37%	9.97%	0.40%
CAD	1.2893	1.2776	0.9%



Net Beta (Core - Protection): 97.2%



Tactical FX Exposure (USD)



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