



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We made no changes last week and we are well positioned for any shock that Powell delivers this week. We expect a very hawkish tone. We think he needs to price out rate cuts for 2023. Longer-term inflation expectations are anchored, but a dovish pivot could change that. There is no reason for it now. Data dependency in a few months could warrant, but for now, they need to fight sticky inflation. It will be relatively easy to get 9% inflation down to 6% by mid 2023, but that is still 6%!!!! The fed simply can't cut rates until inflation is under 3%. That could take several years. No doubt longer-term debt, demographics and innovation will reassert their dominance, but it will likely take several years for global supply chains to rebalance. It's just the way it is. That does not mean go out and buy energy exposure by the way. That's a lousy hedge. Real assets are a good hedge, but gold need rate cuts to move and it could stay undervalued still. Volatility as an asset class will likely become more important in the coming years too as the best hedge. It's going to be essential if we could be in a period were risk assets have very little net returns. Not 1970s, but maybe a bit like 1970s stagflation.

Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. QT should start to weigh on risk premiums going forward, but there is massive cash balances sitting in the RRP to offset a significant impact. We think the skinny Bills Congress passed will add slightly to funding pressure. The FOMC's more aggressive path has caught them up to the curve and the terminal rate is now expected in December. We do expect the Powell to try and talk out rate cuts in 2023 at Jackson Hole, which would be decidedly more hawkish than the market is currently pricing. 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.

PRO-EYEs Indicators

Risk Level Medium

The core portfolio beta is 88.2%. The degree of delta protection is -34% while the value of beta protection is 46%.

The tactical PRO-EYEs factor suggests that after the recent rally, the buy dips bias is gone for now, as the tactical risk-return is more balanced. To offset, liquidity and business cycle conditions are more stressed. This should lead to two-way opportunities in the coming months. The decay in forward earnings needs to be on the front burner. The lagged impact of monetary policy has yet to hit the outlook in a material way.

Performance Metrics (A-Series) as of (08/19/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-5.20%	-4.04%	Upside	20%
Prev. Qtr.	0.72%	1.19%	Downside	40%
Prev. Year	-2.09%	-0.17%	Months Up	53
Since Inception	31.51%	43.07%	Months Dn	21
Ann. SI (04/28/16)	4.42%	6.34%		
Sharpe Ratio		0.62		

Fund Codes: No Load Retail: BMO70762

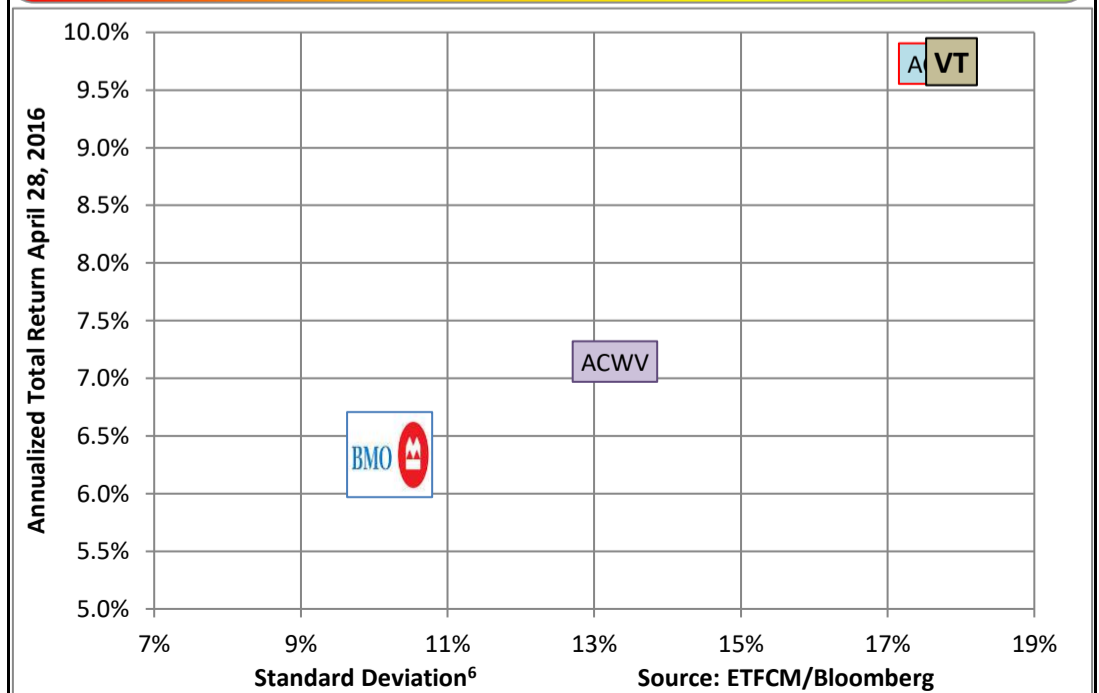
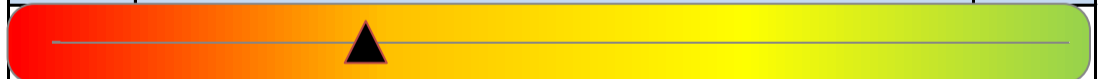
Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	21.3%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	19.8%
ZEM	BMO MSCI Emerging Markets Index ETF	10.3%
GDX	VanEck Gold Miners ETF/USA	5.0%
KWEB	KraneShares CSI China Internet ETF	3.9%
FLGB	Franklin FTSE United Kingdom ETF	3.8%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	3.2%
FLJH	Franklin FTSE Japan Hedged ETF	3.1%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	3.0%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.7%
ZCLN	BMO Clean Energy Index ETF	2.7%
URA	Global X Uranium ETF	2.7%
XLP	Consumer Staples Select Sector SPDR Fund	2.7%
MJ	ETFMG Alternative Harvest ETF	2.6%
FLIN	Franklin FTSE India ETF	2.1%
VNM	VanEck Vietnam ETF	1.8%
FINX	Global X FinTech ETF	1.7%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.5%
FLBR	Franklin FTSE Brazil ETF	1.4%
PAVE	Global X US Infrastructure Development ETF	1.1%

Chart of the Week



Defense Core Portfolio Beta: 88.2% **Offense**



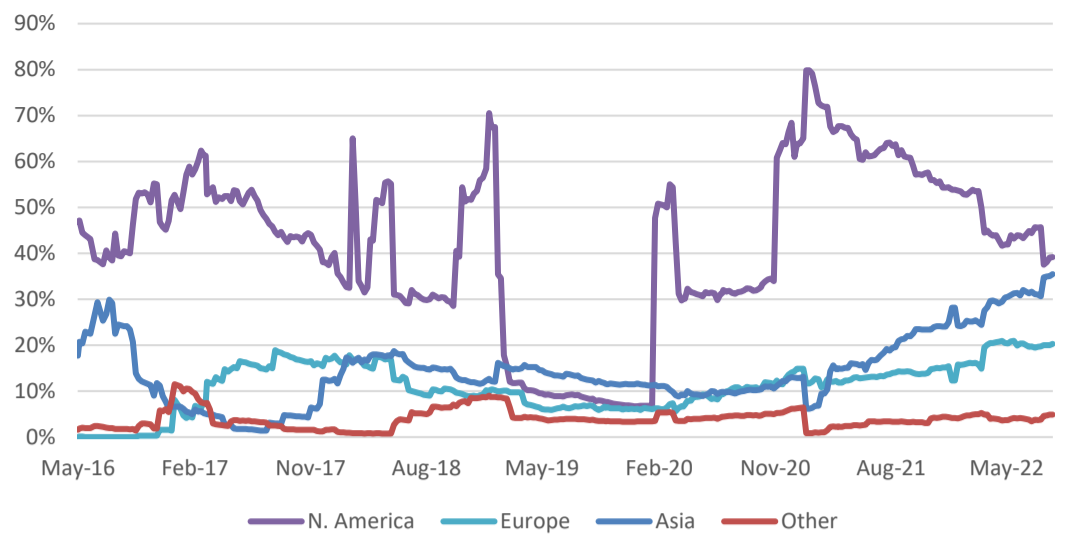
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Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
08/19/22	39.2%	20.2%	35.5%	4.8%
08/12/22	39.1%	20.0%	35.0%	4.8%
Change	0.1%	0.2%	0.4%	0.0%

Sector	08/19/22	08/12/22	Change	BM
Basic Materials	13.82%	14.11%	-0.3%	4.3%
Communications	9.71%	9.66%	0.1%	10.5%
Consumer, Cyclical	9.43%	9.20%	0.2%	10.5%
Consumer, Non-cyclical	20.23%	19.84%	0.4%	20.5%
Energy	5.78%	5.68%	0.1%	5.1%
Financial	14.76%	14.72%	0.0%	18.4%
Government	0.04%	0.03%	0.0%	18.4%
Industrial	10.41%	10.34%	0.1%	10.3%
Technology	12.15%	12.06%	0.1%	17.2%
Utilities	3.27%	3.22%	0.0%	3.1%

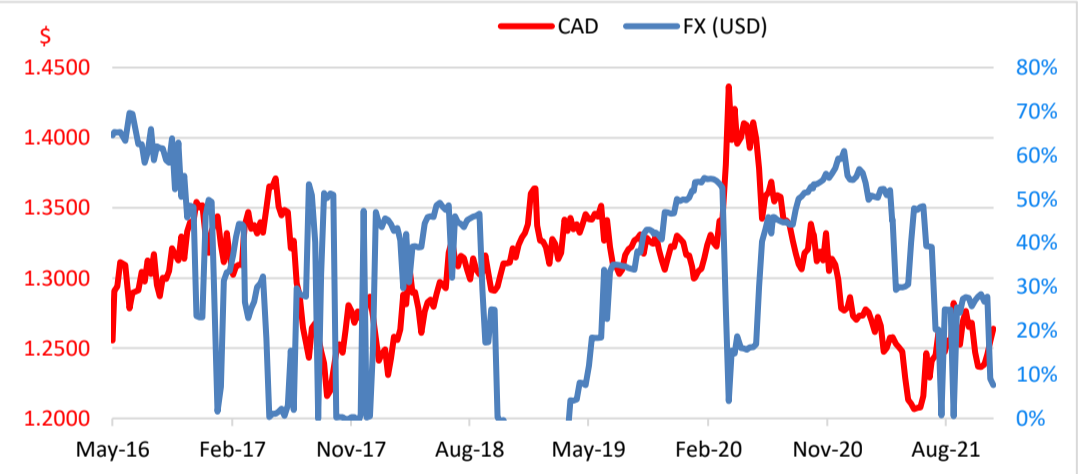
As of: Aug 19 2022	08/19/22	08/12/22	Change
FX (USD)	4.6%	5.6%	-1.0%
Beta ²	88.2%	87.4%	0.7%
Protection (Delta)	-34.4%	-33.9%	-0.5%
Correlation	73.7%	72.1%	1.5%
Yield ³	2.96%	2.86%	0.09%
ETF Holdings	24	24	0
Volatility ⁴	10.21%	10.02%	0.19%
CAD	1.2994	1.2782	1.7%



Net Beta (Core - Protection): 53.7%



Tactical FX Exposure (USD)



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