

BMO Tactical Global Growth ETF Fund

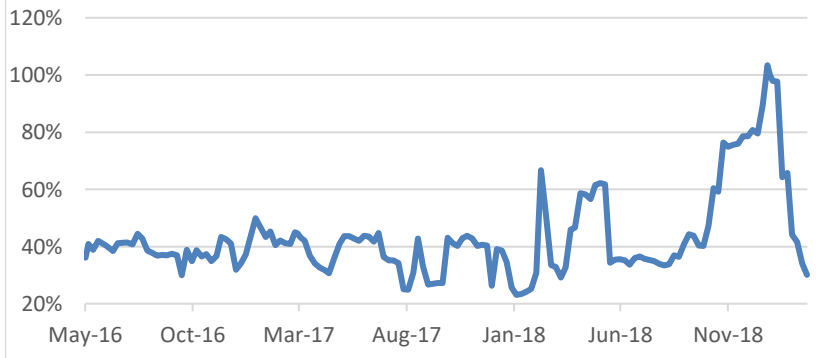
Defense

BETA SCORE

Offense



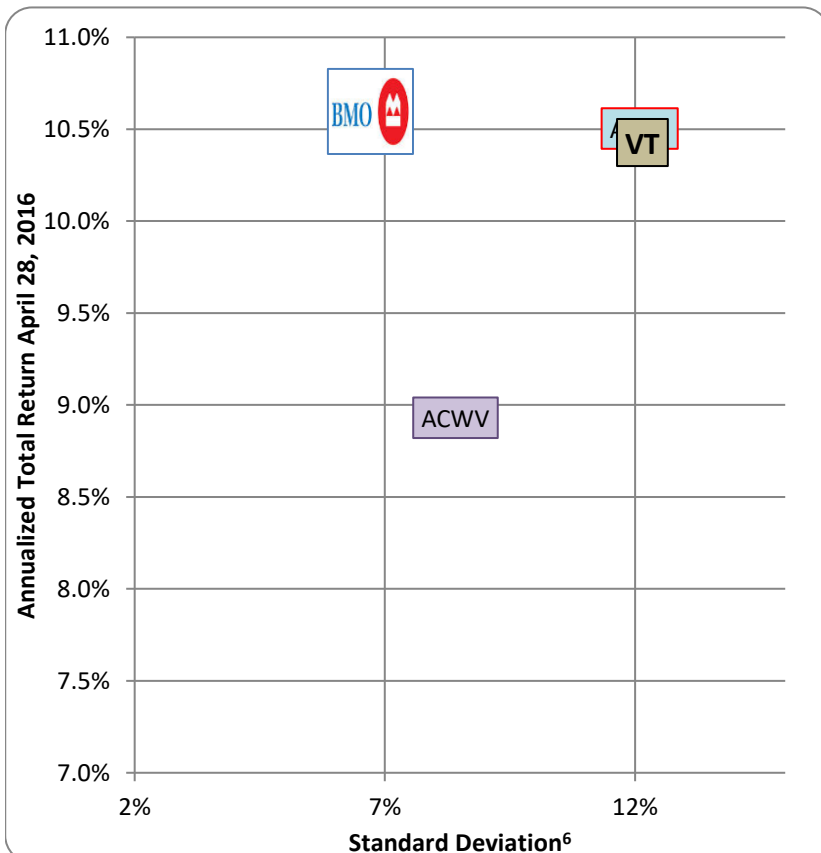
Beta (risk) Metrics



| As of: Mar 15 2019 | 03/15/19 | 02/28/19 | Change |
|-------------------------|----------|----------|--------|
| FX (USD) | -4.3% | -4.5% | 0.2% |
| Beta ² | 29.4% | 29.8% | -0.5% |
| Correlation | 19.5% | 19.3% | 0.1% |
| Yield ³ | 3.30% | 3.29% | 0.01% |
| ETF Holdings | 18 | 17 | 1 |
| Volatility ⁴ | 6.71% | 6.75% | -0.04% |
| CAD | 1.3336 | 1.3181 | 1.2% |

Performance Metrics

| Total Return | Net | Gross | Upside/Downside ⁵ | |
|-----------------|--------|--------|------------------------------|-----|
| YTD | 9.02% | 9.40% | Upside | 51% |
| Prev. Qtr. | 7.25% | 7.73% | Downside | 29% |
| Prev. Year | 5.84% | 7.76% | Months Up | 27 |
| Since Inception | 27.54% | 32.83% | Months Dn | 7 |
| Annualized SI | 8.75% | 10.60% | | |
| Sharpe Ratio | | 1.58 | | |



Market Strategy (Risk Management)

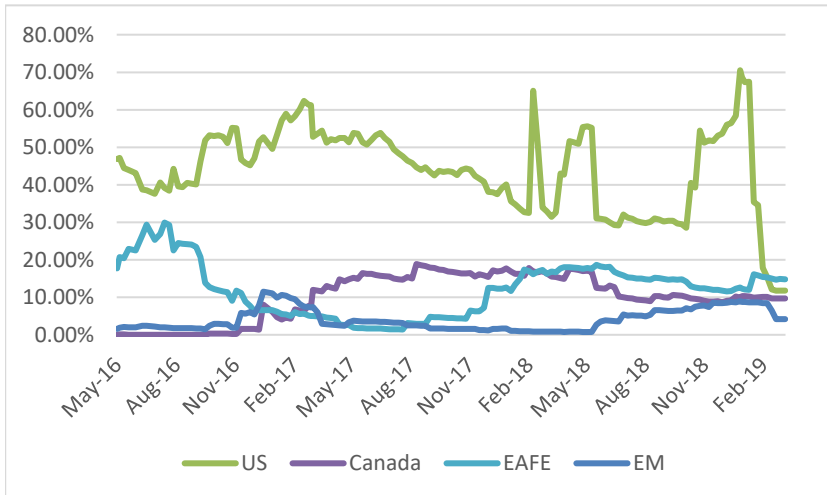
DEFENSE: The current beta is 29.4% vs. the benchmark of 100% down from 29.8% last week. We made no changes to the portfolio last week and allowed new cash to accumulate. From our growth at a reasonable price nest, there is very little globally that is attractive. So what happens to stocks when earnings expectations are falling and growth indicators are rolling over historically? We can say without flinching, that equities do not perform well. We are likely going to see fiscal austerity thrown out the window and LEFT spending policies kick in. This could extend the global growth cycle while adding to an unsustainable credit bubble. Keep pushing on the string growth policies will make the other side of the debt mountain that much more of an avalanche when the bubble pops.

Top Holdings

| Ticker | Name | Position |
|--------------|---|--------------|
| ZST | BMO Ultra Short-Term Bond ETF | 44.1% |
| ZWP | BMO Europe High Dividend Covered Call ETF | 7.6% |
| ZGD | BMO Equal Weight Global Gold Index ETF | 7.0% |
| EMLC | VanEck Vectors J.P. Morgan EM Local Currency Bond ETF | 4.9% |
| AMPL | Alerian MLP ETF | 4.8% |
| EWUS | iShares MSCI United Kingdom Small-Cap ETF | 3.9% |
| ZWU | BMO Covered Call Utilities ETF | 3.2% |
| DXJ | WisdomTree Japan Hedged Equity Fund | 3.1% |
| IYZ | iShares US Telecommunications ETF | 3.1% |
| TLT | iShares 20+ Year Treasury Bond ETF | 2.0% |
| ZPW | BMO US Put Write ETF | 2.0% |
| ZWC | BMO Canadian High Dividend Covered Call ETF | 1.8% |
| EWV | iShares MSCI Mexico ETF | 1.0% |
| BRF | VanEck Vectors Brazil Small-Cap ETF | 0.9% |
| EIDO | iShares MSCI Indonesia ETF | 0.8% |
| ZCN | BMO S&P/TSX Capped Composite Index ETF | 0.6% |
| INDA | iShares MSCI India ETF | 0.4% |
| ZLI | BMO Low Volatility International Equity ETF | 0.1% |
| Total | | 91.5% |

Tactical Asset Allocation

| Equity | US | Canada | EAFE | EM |
|----------|-------|--------|-------|------|
| 03/15/19 | 11.8% | 9.6% | 15.0% | 4.1% |
| 02/28/19 | 11.8% | 9.7% | 14.9% | 4.2% |
| Change | 0.0% | -0.1% | 0.1% | 0.0% |



| Sector | 03/15/19 | 02/28/19 | Change |
|---------------|----------|----------|--------|
| Financials | 4.04% | 4.02% | 0.0% |
| Energy | 7.49% | 7.44% | 0.0% |
| Health Care | 2.25% | 2.23% | 0.0% |
| Technology | 1.34% | 1.34% | 0.0% |
| Industrials | 3.28% | 3.28% | 0.0% |
| Discretionary | 3.16% | 3.16% | 0.0% |
| Real Estate | 0.50% | 0.50% | 0.0% |
| Staples | 2.22% | 2.21% | 0.0% |
| Telecom | 5.02% | 5.06% | 0.0% |
| Utilities | 2.10% | 2.10% | 0.0% |
| Materials | 9.07% | 9.20% | -0.1% |
| Government | 6.72% | 4.40% | 2.3% |
| Corporate | 44.30% | 45.27% | -1.0% |
| C\$ Cash | 38.82% | 38.09% | 0.7% |
| U\$ Cash | -30.30% | -28.29% | -2.0% |
| Preferred | 0.00% | 0.00% | 0.0% |
| Commodity | 0.00% | 0.00% | 0.0% |

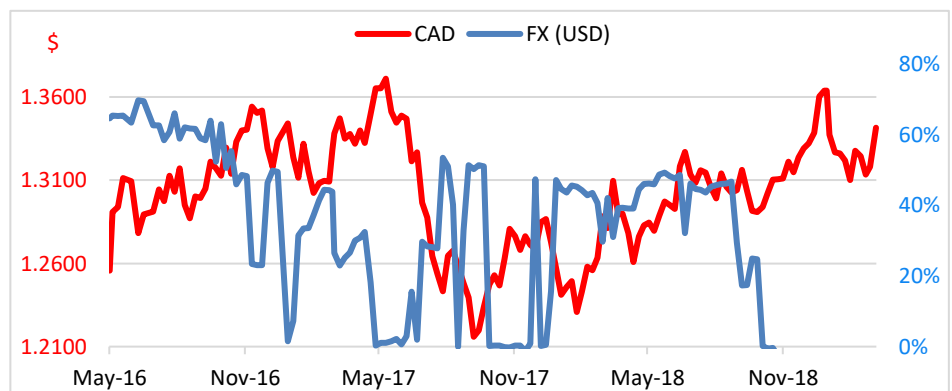
| Bonds | Corp. | Govt. | Pref. | Cash |
|----------|-------|-------|-------|-------|
| 03/15/19 | 44.3% | 6.7% | 0.0% | 8.5% |
| 02/28/19 | 45.3% | 4.4% | 0.0% | 9.8% |
| Change | -1.0% | 2.3% | 0.0% | -1.3% |

Equity Allocation Country/Sector Trades

Late in the cycle with the yield curve as flat as it is, you MUST err on the side of playing defense as we have once again. Early forecasts for US Q1 GDP are below 1% and the effects of fed tightening are weighing on the growth outlook. We are heading into a late cycle bear market and there is not much in the policy toolbox to change that though the Fed will try. We do expect Congress to pass a massive infrastructure bill, but frankly there are not enough people to fill the potential new jobs. 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.

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). 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 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 78 cents. We will seek more US\$ exposure closer to 76 cents. Oil should stabilize in the \$50 range, but would certainly move back towards \$30 in a global recession we expect to play out into 2020.



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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.