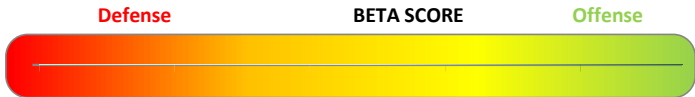
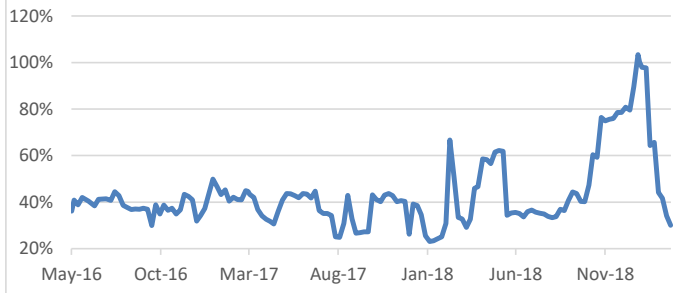


BMO Tactical Global Growth ETF Fund

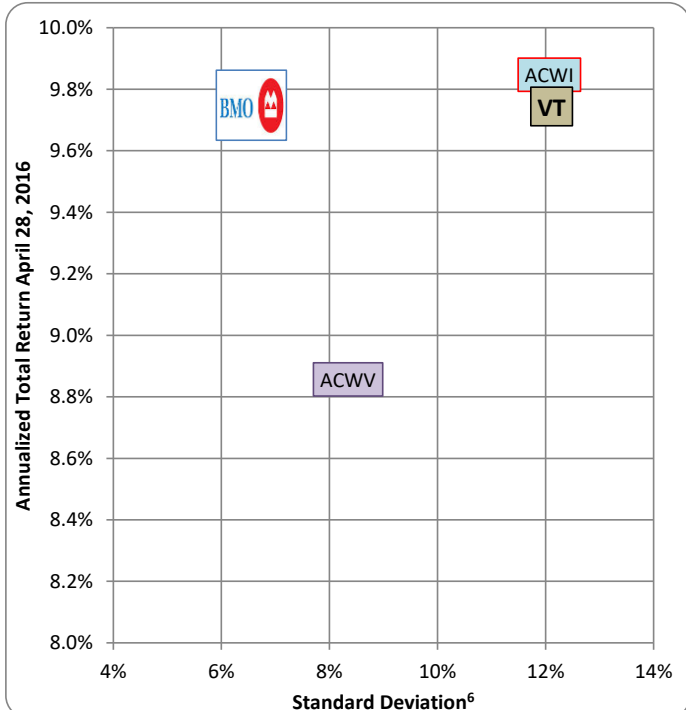


Beta (risk) Metrics



As of: May 17 2019	05/17/19	05/10/19	Change
FX (USD)	18.3%	18.4%	-0.1%
Beta ²	21.5%	22.0%	-0.5%
Correlation	15.1%	15.7%	-0.6%
Yield ³	3.22%	3.23%	0.00%
ETF Holdings	17	17	0
Volatility ⁴	6.55%	6.57%	-0.02%
CAD	1.3458	1.3417	0.3%

Performance Metrics			
Total Return	Net	Gross	Upside/Downside ⁵
YTD	7.98%	8.68%	Upside 47%
Prev. Qtr.	0.10%	0.58%	Downside 29%
Prev. Year	2.67%	4.59%	Months Up 29
Since Inception	26.33%	31.94%	Months Dn 7
Annualized SI	7.90%	9.75%	
Sharpe Ratio		1.49	



Market Strategy (Risk Management)

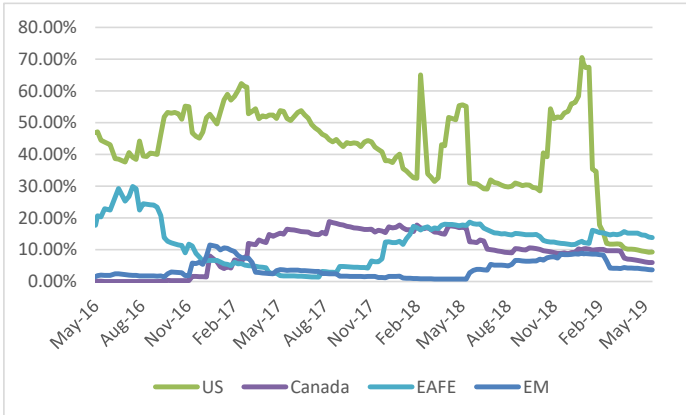
DEFENSE: The current beta is 21.5% vs. the benchmark of 100% down from 22.0% last week. We reduced risk in the portfolio again last week by adding to cash holdings. We see at least another 5% downside in global markets before any meaningful rally at this point. No trade progress likely until Trump and Xi meet at the end of June and the fact that new duties on Japanese and German cars have been delayed 6 months suggests the Administration needs at least that long to deal with China. The US does not want these trade issues to go into 2020. These are the worst aspects of the Trump Administration and most damaging to the economy. There is virtually no chance Congress wants a strong economy in 2020 and will move to delay any new spending on infrastructure until after the 2020 election.

Top Holdings

Ticker	Name	Position
ZST	BMO Ultra Short-Term Bond ETF	41.7%
TLT	iShares 20+ Year Treasury Bond ETF	7.6%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	7.1%
ZWP	BMO Europe High Dividend Covered Call ETF	7.1%
ZGD	BMO Equal Weight Global Gold Index ETF	5.9%
AML	Alerian MLP ETF	3.8%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	3.7%
IYZ	iShares US Telecommunications ETF	2.9%
DXJ	WisdomTree Japan Hedged Equity Fund	2.9%
ZPW	BMO US Put Write ETF	1.9%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.7%
EW	iShares MSCI Mexico ETF	1.0%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.7%
EIDO	iShares MSCI Indonesia ETF	0.7%
INDA	iShares MSCI India ETF	0.3%
ZLI	BMO Low Volatility International Equity ETF	0.1%
ZWU	BMO Covered Call Utilities ETF	0.0%
Total		89.1%

Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
05/17/19	9.3%	5.9%	13.8%	3.6%
05/10/19	9.2%	6.0%	14.0%	3.8%
Change	0.0%	0.0%	-0.2%	-0.1%



Sector	05/17/19	05/10/19	Change
Financials	3.54%	3.60%	-0.1%
Energy	5.31%	5.29%	0.0%
Health Care	2.06%	2.09%	0.0%
Technology	1.22%	1.23%	0.0%
Industrials	2.98%	3.03%	0.0%
Discretionary	2.87%	2.94%	-0.1%
Real Estate	0.45%	0.46%	0.0%
Staples	2.03%	2.06%	0.0%
Telecom	3.87%	3.88%	0.0%
Utilities	0.60%	0.61%	0.0%
Materials	7.73%	7.76%	0.0%
Government	14.45%	14.47%	0.0%
Corporate	41.93%	42.04%	-0.1%
C\$ Cash	23.06%	22.73%	0.3%
U\$ Cash	-12.11%	-12.18%	0.1%
Preferred	0.00%	0.00%	0.0%
Commodity	0.00%	0.00%	0.0%

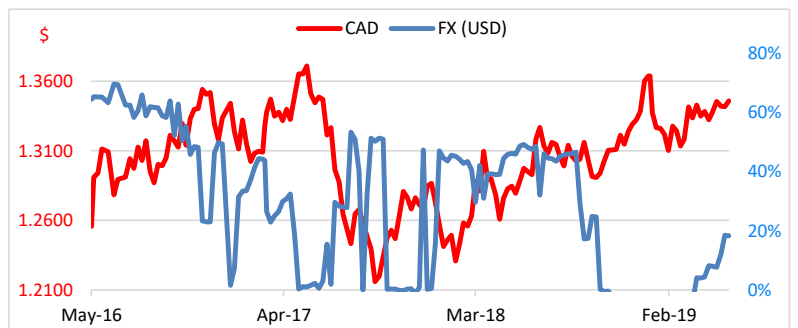
Bonds	Corp.	Govt.	Pref.	Cash
05/17/19	41.9%	14.5%	0.0%	10.9%
05/10/19	42.0%	14.5%	0.0%	10.6%
Change	-0.1%	0.0%	0.0%	0.4%

Equity Allocation Country/Sector Trades

Late in the cycle with the yield curve now inverting, you MUST err on the side of playing defense as we have once again. Globally, economic data continues to soften, We are heading into a late cycle bear market and there is not much in the policy toolbox to change that though the Fed has backed off hiking, but this week they suggested no cut is coming any time soon—how do you cut rates at full employment. 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. We cut exposure to Canada (ZCN, ZWU) last week as we are increasingly negative heading into a recession.

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) as well as long duration in USTs (TLT). 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 (and gold equity) 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 added to US\$ exposure last week above 75 cents and expect that we see 70 cents before we see 78 cents. We look to move US\$ exposure to 50% in the coming months.



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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.