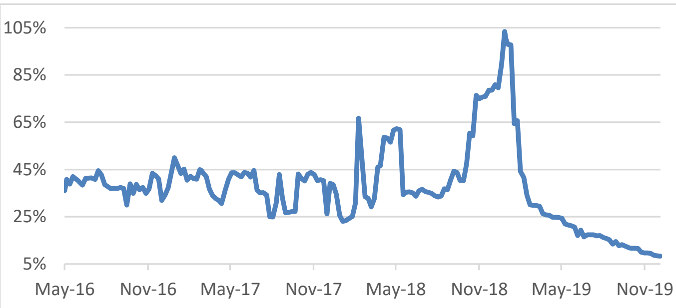
BMO Mutual Funds

BMO Tactical Global Growth ETF Fund

Defense **BETA SCORE** Offense

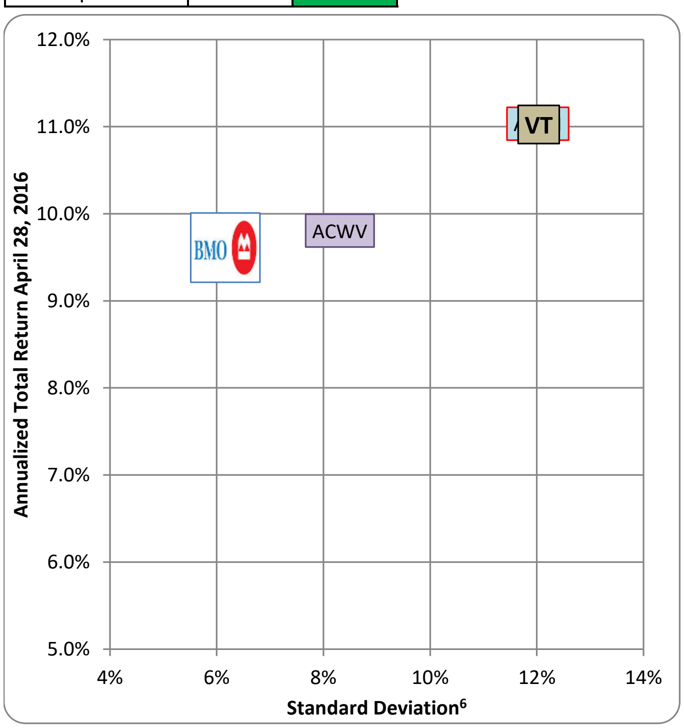
Beta (risk) Metrics



As of: Dec 6 2019	12/06/19	11/29/19	Change
FX (USD)	49.9%	49.6%	0.4%
Beta[2]	8.3%	8.5%	-0.2%
Correlation	14.4%	12.9%	1.6%
Yield[3]	3.03%	2.99%	0.04%
ETF Holdings	16	16	0
Volatility[4]	6.16%	6.17%	-0.01%
CAD	1.3255	1.3282	-0.2%

Performance Metrics

Total Return	Net	Gross	Upside/Downside[5]	
YTD	11.86%	13.59%	Upside	39%
Prev. Qtr.	0.94%	1.41%	Downside	21%
Prev. Year	8.38%	10.30%	Months Up	32
Since Inception	30.87%	37.50%	Months Dn	10
Annualized SI	7.69%	9.61%		
Sharpe Ratio		1.56		



Market Strategy (Risk Management)

DEFENSE: The current beta is 8.3% vs. the benchmark of 100% down from 8.5% last week. Growth at a reasonable price is getting more difficult to find. There has been no earnings growth to speak of in 2019 yet the S&P 500 is up 25% and share buybacks are more than 50% of EBITDA. Corporate America is the biggest buyer of shares at all-time highs. While the C-suite has not been dumping shares at a higher rate since 2000. So let me get this straight, with the shareholder money they are buying stock to boost their stock based compensation and with their money, they are selling it back to you? When the cycle breaks, the condition of corporate balance sheets with the highest net debt to EBITDA will most certainly see a massive downgrade to junk status. Could be as many as 100 S&P 500 companies.

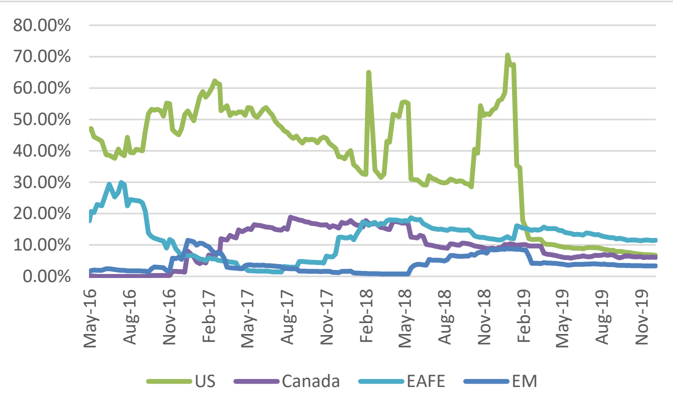
Top Holdings

Ticker	Name	Position
ZST	BMO Ultra Short-Term Bond ETF	34.2%
SHV	iShares Short Treasury Bond ETF	20.7%
TLT	iShares 20+ Year Treasury Bond ETF	8.0%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	7.3%
ZGD	BMO Equal Weight Global Gold Index ETF	6.6%
ZWP	BMO Europe High Dividend Covered Call ETF	5.6%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	3.1%
DXJ	WisdomTree Japan Hedged Equity Fund	2.5%
IYZ	iShares US Telecommunications ETF	2.3%
AMLP	Alerian MLP ETF	2.3%
ZPW	BMO US Put Write ETF	1.4%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.4%
EWW	iShares MSCI Mexico ETF	0.8%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.7%
EIDO	iShares MSCI Indonesia ETF	0.6%
INDA	iShares MSCI India ETF	0.3%
ZLI	BMO Low Volatility International Equity ETF	0.1%
Total		**97.8%**

Fund Codes: Advisor BMO99762; Low Load BMO98762; F-Class BMO95762; No Load Retail: BMO70762;

Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
12/06/19	6.7%	6.0%	11.5%	3.3%
11/29/19	6.8%	6.1%	11.5%	3.3%
Change	-0.1%	-0.1%	0.0%	0.0%



Equity Allocation Country/Sector Trades

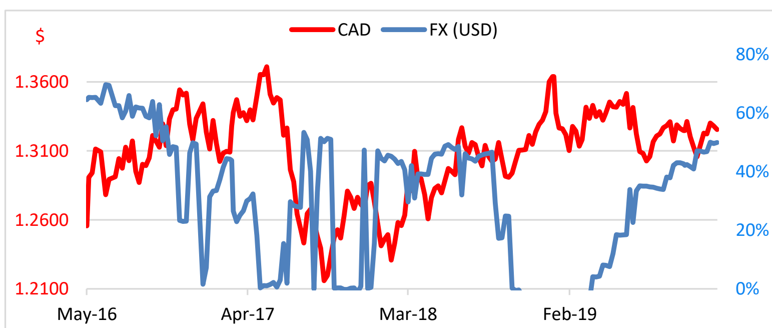
Late in the cycle with the yield curve inverting, we MUST err on the side of playing defense. Globally, economic data continues to soften and we are heading into a late cycle recession bear market. There is not much in the policy toolbox to change that though the Fed has now indicated they are starting a NONE QE monetization--what sounds like a permanent balance sheet expansion. Crazy to believe that at full employment they need to add stimulus and ease conditions. 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. Instead, the world is politically shifting to more extreme polarizations. The nationalism of the extreme RIGHT vs. the socialism of the extreme LEFT. The Trump experience is likely to shift the US to the extreme LEFT and polarization will most likely intensify. Wall Street is not ready for it. It will not likely be good for growth or valuations. Still, parts of the world of EM, Japan, UK assets have some relative value and good dividend payers. Lot's of places to play defense and generate some growth while this all plays out.

Sector	12/06/19	11/29/19	Change
Financials	2.90%	2.89%	0.0%
Energy	3.49%	3.53%	0.0%
Health Care	1.68%	1.67%	0.0%
Technology	1.00%	1.00%	0.0%
Industrials	2.47%	2.46%	0.0%
Discretionary	2.41%	2.39%	0.0%
Real Estate	0.37%	0.37%	0.0%
Staples	1.64%	1.64%	0.0%
Telecom	3.04%	3.06%	0.0%
Utilities	0.49%	0.48%	0.0%
Materials	8.08%	8.18%	-0.1%
Government	35.76%	33.30%	2.5%
Corporate	34.44%	33.08%	1.4%
C$ Cash	0.87%	2.53%	-1.7%
U$ Cash	1.37%	3.41%	-2.0%
Preferred	0.00%	0.00%	0.0%
Commodity	0.00%	0.00%	0.0%

Fixed-Income/Currency/Commodity Strategy & Trades

It is clear to us that we are heading for a recession and a sluggish growth 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) on weakness. 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$, we see it below 70 cents at the trough of the next recession and it should struggle to hold above 76 cents with Canada looking a bit better--for now. We look to more actively tactically adjust currency exposure with a bias to be longer the RISK-OFF US$.

Bonds	Corp.	Govt.	Pref.	Cash
12/06/19	34.4%	35.8%	0.0%	2.2%
11/29/19	33.1%	33.3%	0.0%	5.9%
Change	1.4%	2.5%	0.0%	-3.7%



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.