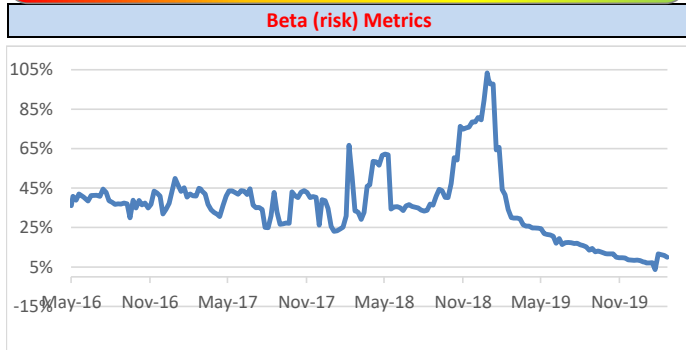
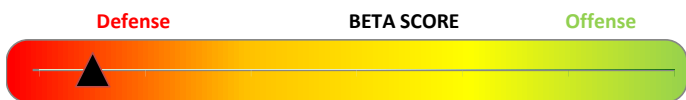
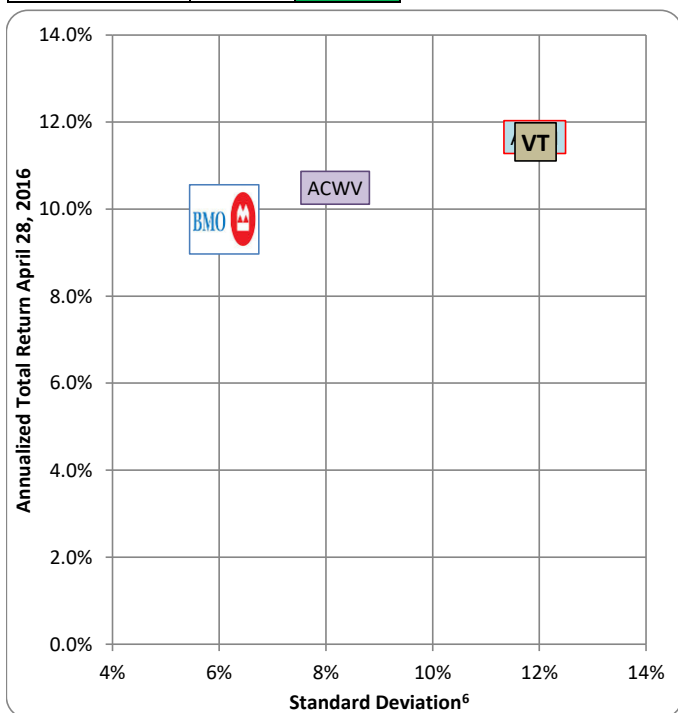


# BMO Tactical Global Growth ETF Fund



As of: Feb 21 2020	02/21/20	02/14/20	Change
FX (USD)	54.2%	54.5%	-0.3%
Beta <sup>2</sup>	10.0%	10.9%	-0.9%
Correlation	14.2%	15.0%	-0.8%
Yield <sup>3</sup>	3.46%	3.49%	-0.03%
ETF Holdings	23	23	0
Volatility <sup>4</sup>	6.09%	6.07%	0.02%
CAD	1.3225	1.3252	-0.2%

Performance Metrics				
Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
YTD	2.04%	2.31%	Upside	35%
Prev. Qtr.	2.29%	2.77%	Downside	16%
Prev. Year	5.36%	7.28%	Months Up	34
Since Inception	33.68%	40.68%	Months Dn	11
Annualized SI	7.85%	9.77%		
Sharpe Ratio		1.60		



## Market Strategy (Risk Management)

DEFENSE: The current beta is 10.0% vs. the benchmark of 100% down from 10.9% last week. COVID-19 + Bernie = Tail Risk that is not priced in. For our growth clients we are ready. Our portfolio went up Friday with global equities sliding 1-2%. This will most certainly open up some market opportunity. Last year when asked what the biggest risks were, Debt, Credit, Valuation, bad policy...Global Pandemic was not on the list. You have found your Black Swan COVID-19 for those that were asking. WHO got that one WRONG? Literally!

## Top Holdings

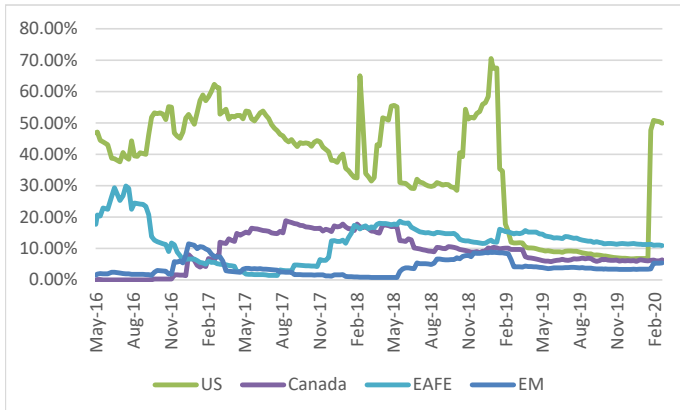
Ticker	Name	Position
ZPAY	BMO Premium Yield ETF	19.8%
BTAL	AGFIQ US Market Neutral Anti-Beta Fund	10.1%
ZTL	BMO Long-Term US Treasury Bond Index ETF	9.9%
QBTL	AGFIQ US Market Neutral Anti-Beta CAD-Hedged ETF	9.9%
SHV	iShares Short Treasury Bond ETF	7.9%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	7.0%
ZGD	BMO Equal Weight Global Gold Index ETF	6.4%
ZWP	BMO Europe High Dividend Covered Call ETF	5.3%
XLE	Energy Select Sector SPDR Fund	4.1%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	3.0%
DXJ	WisdomTree Japan Hedged Equity Fund	2.3%
IYZ	iShares US Telecommunications ETF	2.2%
AMLP	Alerian MLP ETF	2.2%
ZPW	BMO US Put Write ETF	1.3%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.3%
KBA	KraneShares Bosera MSCI China A ETF	1.1%
VNM	Vanek Vectors Vietnam ETF	1.0%
EWV	iShares MSCI Mexico ETF	0.8%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.7%
EIDO	iShares MSCI Indonesia ETF	0.5%
INDA	iShares MSCI India ETF	0.3%
ZLI	BMO Low Volatility International Equity ETF	0.1%
<b>Total</b>		<b>97.2%</b>

## Monday, February 10

Race/Topic (Click to Sort)	Poll	Results	Spread
New Hampshire Democratic Presidential Primary	CNN/UNH	Sanders 29, Buttigieg 22, Klobuchar 7, Warren 10, Biden 11, Yang 4, Gabbard 5, Steyer 1, Patrick, Bennet 0	Sanders +7
New Hampshire Democratic Presidential Primary	Boston Globe/Suffolk	Sanders 27, Buttigieg 19, Klobuchar 14, Warren 12, Biden 12, Yang 3, Gabbard 3, Steyer 2, Patrick 1, Bennet 0	Sanders +8
New Hampshire Democratic Presidential Primary	WHDH/Emerson	Sanders 30, Buttigieg 23, Klobuchar 14, Warren 11, Biden 10, Yang 4, Gabbard 2, Steyer 2, Patrick 1, Bennet 1	Sanders +7
New Hampshire Democratic Presidential Primary	UMass Lowell	Sanders 25, Buttigieg 17, Klobuchar 8, Warren 15, Biden 14, Yang 3, Gabbard 4, Steyer 5, Patrick 1, Bennet 1	Sanders +8
2020 Democratic Presidential Nomination	Quinnipiac	Sanders 25, Biden 17, Bloomberg 15, Warren 14, Buttigieg 10, Klobuchar 4, Yang 2, Steyer 1, Gabbard 1	Sanders +8
General Election: Trump vs. Biden	Quinnipiac	Biden 50, Trump 43	Biden +7
General Election: Trump vs. Sanders	Quinnipiac	Sanders 51, Trump 43	Sanders +8
General Election: Trump vs. Warren	Quinnipiac	Warren 48, Trump 44	Warren +4
General Election: Trump vs. Bloomberg	Quinnipiac	Bloomberg 51, Trump 42	Bloomberg +9
General Election: Trump vs. Buttigieg	Quinnipiac	Buttigieg 47, Trump 43	Buttigieg +4
General Election: Trump vs. Klobuchar	Quinnipiac	Klobuchar 49, Trump 43	Klobuchar +6

# Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
02/21/20	49.9%	6.4%	10.9%	5.4%
02/14/20	50.4%	6.0%	11.1%	5.3%
Change	-0.5%	0.4%	-0.2%	0.0%



Sector	02/21/20	02/14/20	Change
Financials	4.57%	4.63%	-0.1%
Energy	7.34%	7.49%	-0.2%
Health Care	5.32%	5.40%	-0.1%
Technology	9.12%	9.24%	-0.1%
Industrials	4.36%	4.43%	-0.1%
Discretionary	4.07%	4.13%	-0.1%
Real Estate	0.86%	0.87%	0.0%
Staples	4.56%	4.63%	-0.1%
Telecom	3.88%	3.92%	0.0%
Utilities	0.61%	0.62%	0.0%
Materials	8.62%	8.08%	0.5%
Government	24.61%	24.64%	0.0%
Corporate	0.24%	0.25%	0.0%
C\$ Cash	21.23%	21.16%	0.1%
U\$ Cash	-19.22%	-19.43%	0.2%
Preferred	0.00%	0.00%	0.0%
Commodity	0.00%	0.00%	0.0%

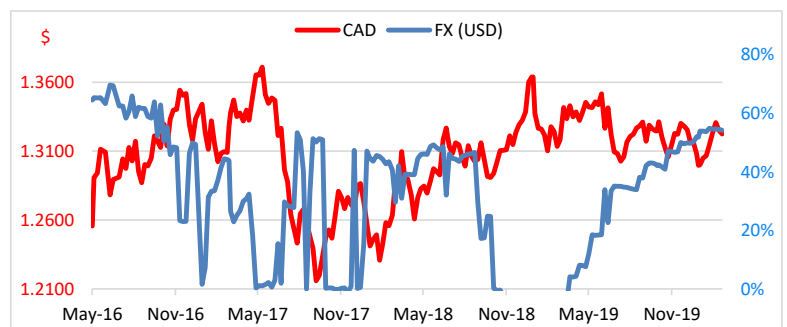
Bonds	Corp.	Govt.	Pref.	Cash
02/21/20	0.2%	24.6%	0.0%	2.0%
02/14/20	0.2%	24.6%	0.0%	1.7%
Change	0.0%	0.0%	0.0%	0.3%

## Equity Allocation Country/Sector Trades

Late in the cycle with the yield curve warning of economic trouble ahead, 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 ramped up the balance sheet again with more monetization--what sounds like a permanent balance sheet expansion and a permanent policy tool given massive deficits in the future. 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 at a reasonable price while we await the next Minsky Moment. In early 2018 it was volatility complacency. Now it just might be Black Swan Bernie Sanders.

## Fixed-Income/Currency/Commodity Strategy & Trades

It is clear to us that we are heading for a recession and a sluggish growth environment for several decades. 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 soft US dollar outlook 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's economic outlook taking a serious downgrade in Q419. The BoC does not want to inflate the debt bubble by cutting rates more--they may have no choice.



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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 license. 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.