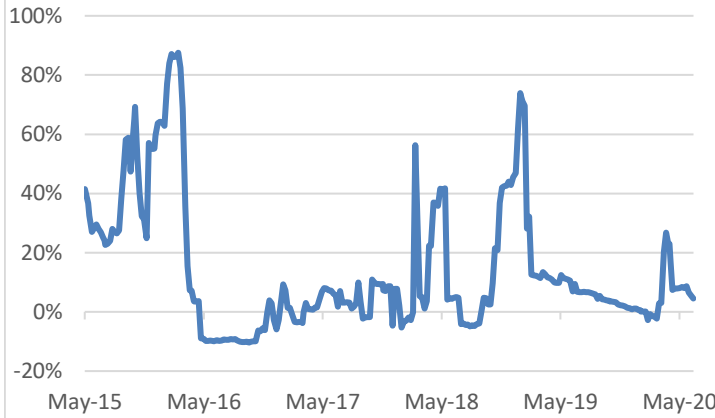


# BMO Tactical Balanced ETF Fund Highlights

Defense BETA SCORE Offense



Beta (risk) Metrics



## Market Strategy (Risk Management)

DEFENSE: The current beta is 4.5% vs. the benchmark of 59.7% down from 5.5% last week. The YTM of the world bond index is back below 1.00%. That means the entire world of fixed-income offers a negative real yield and after taxes and fees, is the worst asset class on the planet except for US equities that are still egregiously overvalued even after last week's pullback. Things that are priced in to the market are a perfect "V" recovery and a Trump "V"ictory. What is not priced in is just about every other scenario that has Trump losing and the economy taking far longer to bounce back requiring even more Fed monetization and trillions more is government support. And all of that is patch work not stimulus or productive use of capital that will boost earnings and economic growth. Mr. Market sometimes gets it wrong and FOMO has got the best of Mr. Market. Investors have been trained in "buy-the-dip" until the final dip that just does not come back under the weight of a deleveraging cycle. For balanced funds and yield, Stagflation is CLEARLY where we are heading and for now, capital preservation while earning some yield is about the best we can hope for. Invest in the sector that will shine coming out of this (on weakness) and play defense so that when Mr. Market starts to price in the more likely scenario, we are there to catch the bottom of the next cycle.

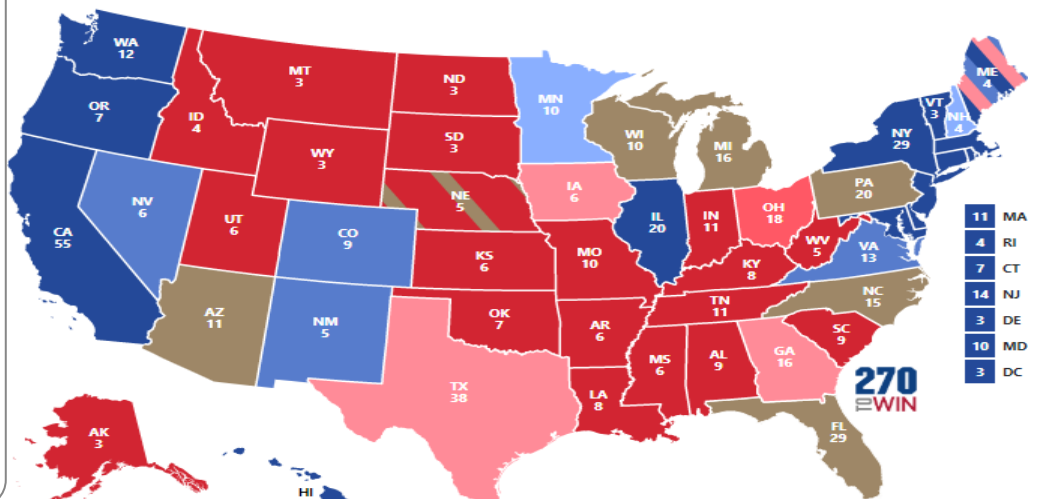
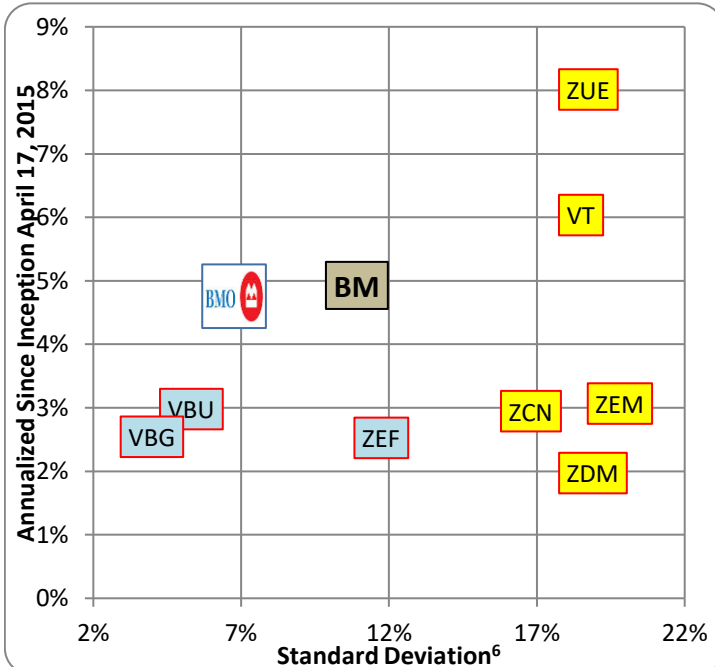
As of: 06/12/20	06/12/20	06/05/20	Change
FX (USD)	42.2%	39.5%	2.7%
Beta <sup>2</sup>	4.5%	5.5%	-1.0%
Correlation	31.4%	33.5%	-2.2%
Yield <sup>3</sup>	2.91%	2.87%	0.04%
ETF Holdings	14	14	0
Volatility <sup>4</sup>	6.76%	6.77%	-0.01%
CAD	1.3589	1.3422	1.2%

### Performance Metrics

Total Return	Net	Gross	Up/Downside <sup>5</sup>
YTD	1.74%	2.59%	Upside 18%
Prev. Month	0.26%	0.42%	Down 2%
Prev. Quarter	4.54%	5.02%	Mths Up 38
Prev. Year	2.69%	4.61%	Mths Dn 24
Annualized SI	2.83%	4.75%	
Sharpe Ratio	0.70		

## Top Holdings

Ticker	Name	Position
ZPAY	BMO Premium Yield ETF	15.1%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	12.4%
BWZ	SPDR Bloomberg Barclays Short Term International Treasury Bond ETF	9.5%
ZGD	BMO Equal Weight Global Gold Index ETF	5.9%
ZPR	BMO Laddered Preferred Share Index ETF	3.2%
GLD	SPDR Gold Shares	2.4%
XLE	Energy Select Sector SPDR Fund	1.3%
ZWU	BMO Covered Call Utilities ETF	0.9%
AMLPL	Alerian MLP ETF	0.7%
ZWC	BMO Canadian High Dividend Covered Call ETF	0.7%
GDXX	VanEck Vectors Gold Miners ETF	0.6%
ZUP	BMO US Preferred Share Index ETF	0.4%
ZRR	BMO Real Return Bond Index ETF	0.3%
SPY 06	SPDR S&P 500 ETF Trust SPY 06/19/20 P250	0.0%
SPY 12	SPDR S&P 500 ETF Trust SPY 12/18/20 C265	-1.9%
<b>Total</b>		<b>51.6%</b>



## Chart(s) of The Week

■ Bloomberg World Index - YTW 0.986361

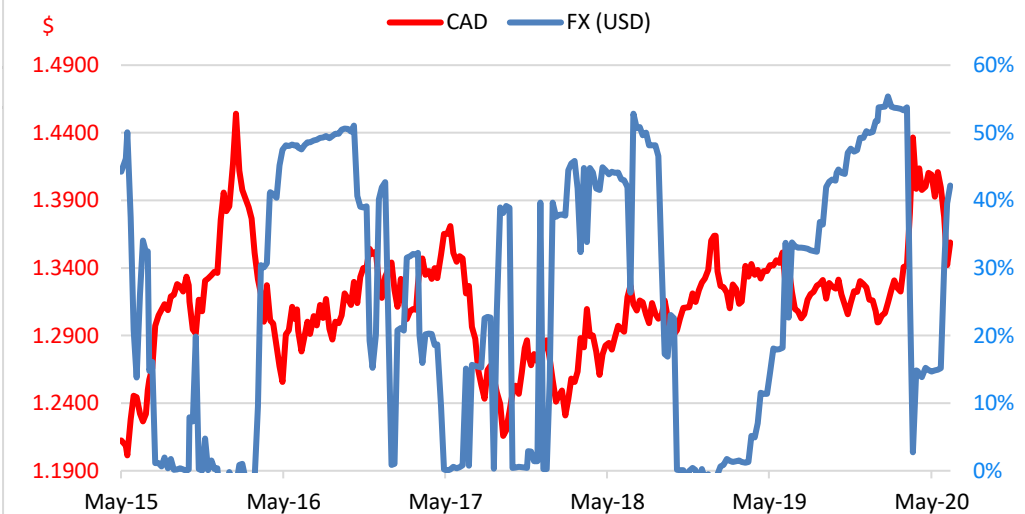
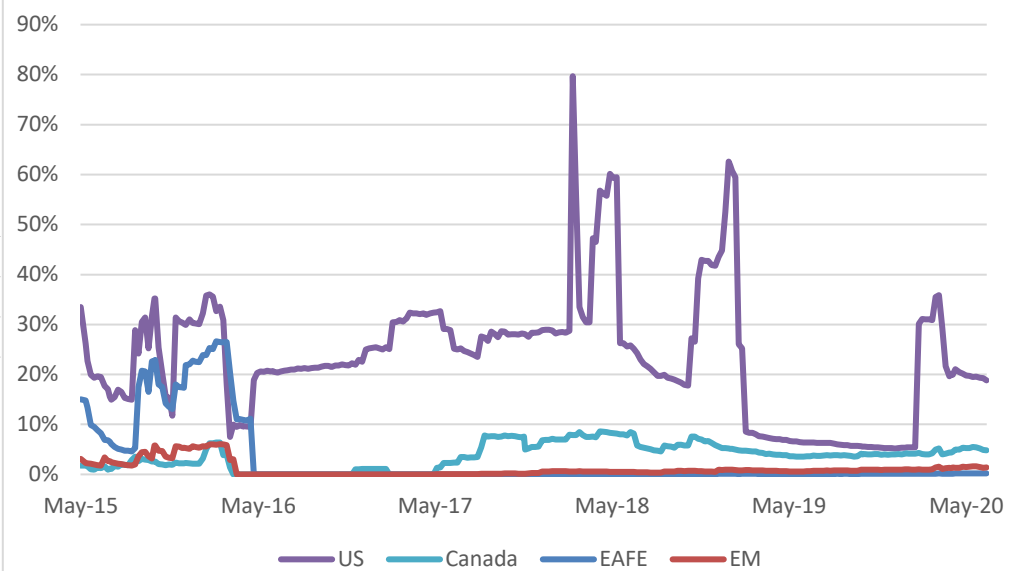


## Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
06/12/20	18.8%	4.9%	0.2%	1.4%
06/05/20	19.2%	4.9%	0.2%	1.3%
Change	-0.4%	0.0%	0.0%	0.0%

Bonds	Corp.	Govt.	Pref.	Cash	Duration
06/12/20	0.4%	21.8%	3.6%	48.4%	1.24
06/05/20	0.4%	21.7%	3.6%	48.2%	1.24
Change	0.0%	0.1%	0.0%	0.2%	0.00

Sector	06/12/20	06/05/20	Change
Financials	1.16%	1.18%	0.0%
Energy	2.55%	2.82%	-0.3%
Health Care	2.66%	2.70%	0.0%
Technology	5.07%	5.14%	-0.1%
Industrials	1.75%	1.78%	0.0%
Discretionary	1.63%	1.66%	0.0%
Real Estate	0.20%	0.20%	0.0%
Staples	2.24%	2.27%	0.0%
Telecom	1.00%	1.03%	0.0%
Utilities	0.37%	0.38%	0.0%
Materials	6.56%	6.47%	0.1%
Government	21.81%	21.73%	0.1%
Corporate	0.43%	0.43%	0.0%
C\$ Cash	48.71%	51.35%	-2.6%
U\$ Cash	-0.27%	-3.15%	2.9%
Preferred	3.59%	3.64%	0.0%
Commodity	2.45%	2.35%	0.1%



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1 Benchmark is the return of the targeted portfolio 60% global equities and 40% global bonds 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.

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