

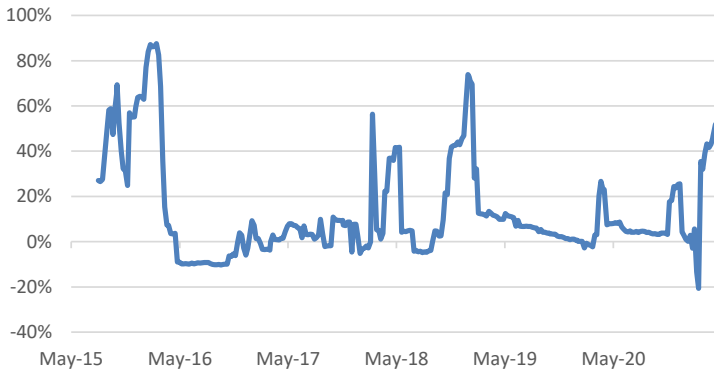
BMO Tactical Balanced ETF Fund Highlights

Defense

Core Beta: 60.8%

Offense

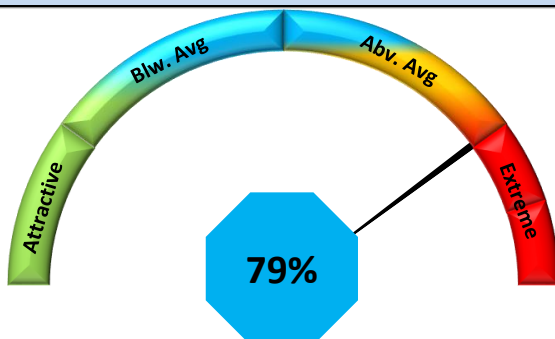
Net Beta (Core - Protection): 53.8%



Market Strategy (Risk Management)

Neutral with Moderate Defense: The current core beta is 60.8% vs. the benchmark of 58.6% up from 59.6% last week. The current degree of beta protection is about -7%. Bond yields dropped significantly last week and our long duration position was cut accordingly as part of our active focus on duration in this new era of increasing inflation expectations. We cut duration 2 years from 11.6 to 9.6 and are still above index weight below 8. The market is caught hugely short bonds in stepeners and the curve flattened notably last week. We can see mortgage books chasing convexity a bit more in the coming weeks. But there should be very strong resistance below 1.40 on 10s and 2.10 on 30s. These are targets to cut duration significantly. We expect bond yields will be forced higher in the back half of the year once Treasury supply swamps markets. We do expect the Fed will be forced into some form of yield curve control and that will be the catalyst for a powerful rally in Treasuries and equities, but not before a meaningful risk-off event. Protecting equities and bonds will be a big focus in the back half of the year.

PRO EYES Macro Risk Model



When the PRO EYES indicator is at elevated levels (>75), we will incorporate additional downside protection in the portfolio as an overlay to the core "BEST IDEAS" holdings. We do not expect more than 10-15% correction risk before the Fed would likely step on the stimulus gas. If not, valuation metrics point to a 30-40% downside risk.

[PRO-EYES - Berman's Call](#)

Top Holdings

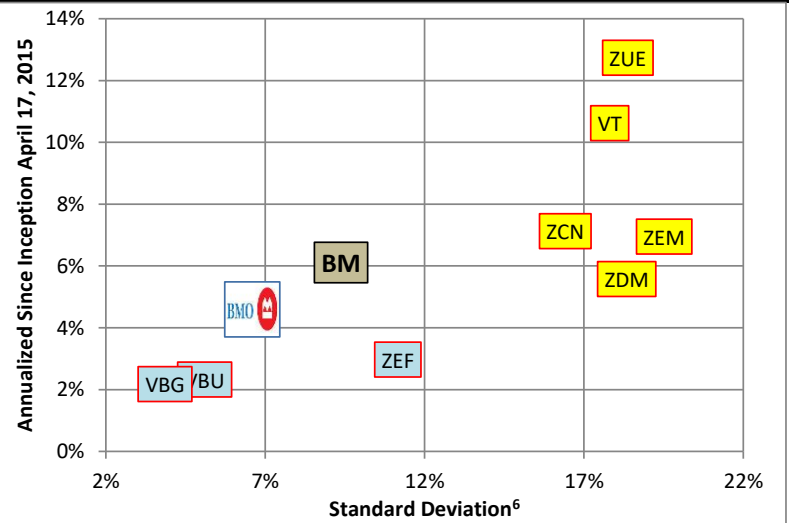
Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	29.1%
ZEA	BMO MSCI EAFE Index ETF	28.2%
ZGD	BMO Equal Weight Global Gold Index ETF	10.0%
TLT	iShares 20+ Year Treasury Bond ETF	7.9%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	7.8%
ZEM	BMO MSCI Emerging Markets Index ETF	3.1%
ZUS/U	BMO Ultra Short-Term US Bond ETF	1.4%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ET	1.3%
XLE	Energy Select Sector SPDR Fund	1.1%
AML	Alerian MLP ETF	0.8%
ZPR	BMO Laddered Preferred Share Index ETF	0.8%
ZCLN	BMO Clean Energy Index ETF	0.6%
ZUP	BMO US Preferred Share Index ETF	0.5%
ZRR	BMO Real Return Bond Index ETF	0.4%
CIBR	First Trust NASDAQ Cybersecurity ETF	0.3%
EWZ	iShares MSCI Brazil ETF	0.3%
HMMJ	Horizons Marijuana Life Sciences Index ETF	0.3%
EWU	iShares MSCI United Kingdom ETF	0.1%

As of: 04/16/21	04/16/21	04/09/21	Change
FX (USD)	30.1%	29.7%	0.4%
Beta ²	60.8%	59.6%	1.2%
Protection	-7.0%	-7.9%	0.9%
Correlation	68.6%	70.5%	-1.9%
Yield ³	1.96%	1.97%	-0.02%
ETF Holdings	19	19	0
Volatility ⁴	6.59%	6.58%	0.01%
CAD	1.2508	1.2530	-0.2%

Performance Metrics

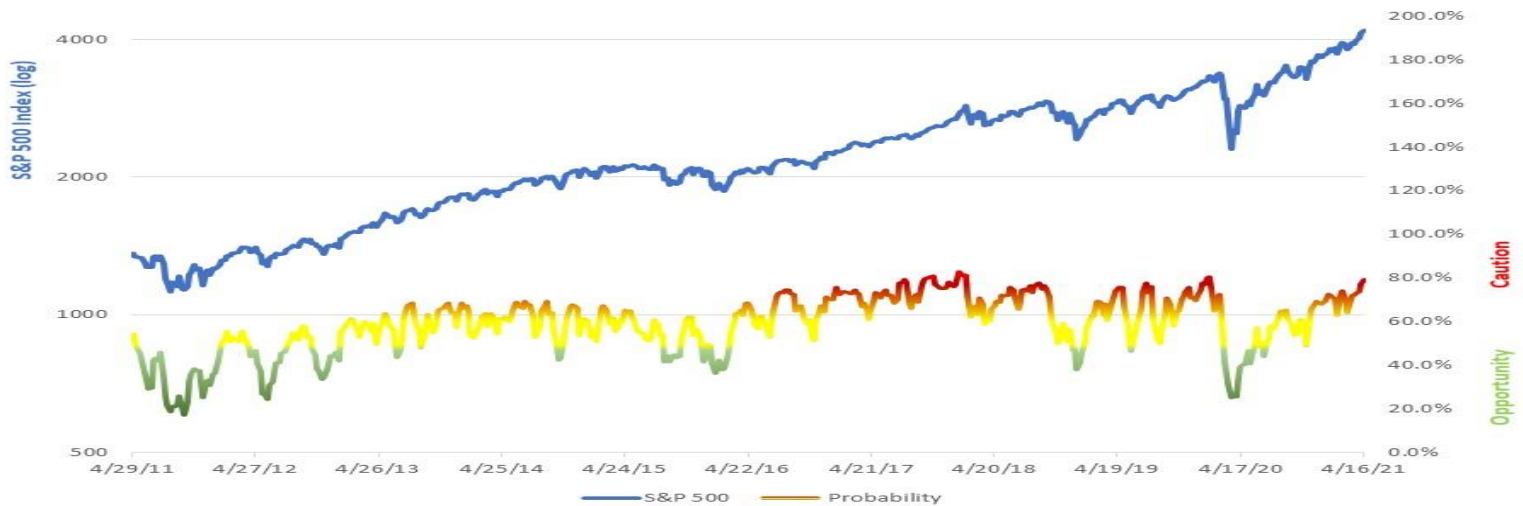
Total Return	Net	Gross	Up/Downside ⁵
YTD	0.14%	0.69%	Upside 10%
Prev. Month	3.57%	3.73%	Down 7%
Prev. Quarter	0.65%	1.13%	Mths Up 45
Prev. Year	3.06%	4.98%	Mths Dn 27
Annualized SI	2.68%	4.60%	
Sharpe Ratio	0.70		

Fund Codes: Advisor BMO99222; Low Load BMO98222; F-Class BMO95222; No Load Retail: BMO70222



Chart(s) of The Week

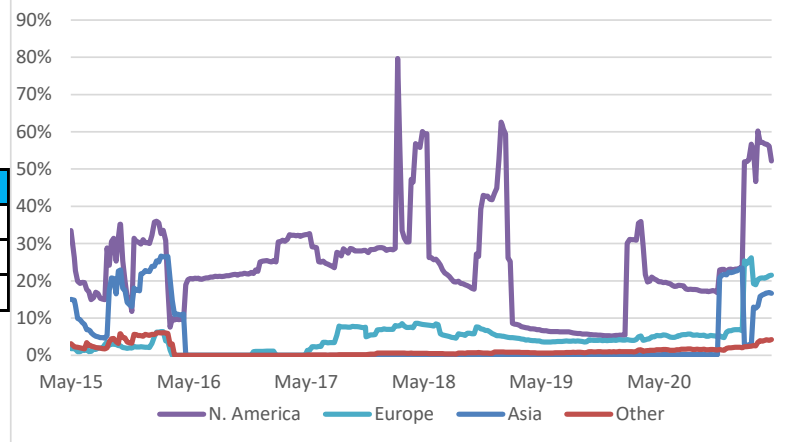
PRO-EYEs S&P 500 Opportunity vs. Caution



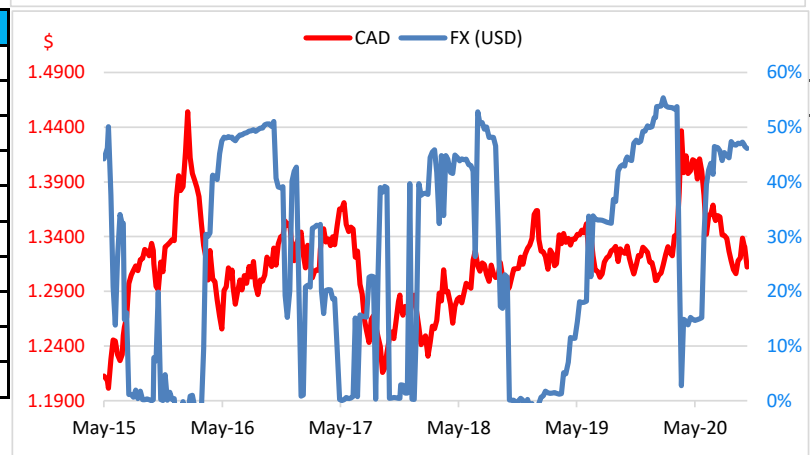
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
04/16/21	52.2%	21.5%	16.6%	4.2%
04/09/21	56.2%	21.3%	16.9%	4.0%
Change	-4.0%	0.1%	-0.3%	0.3%

Bonds	Corp.	Govt.	Pref.	Cash	Duration
04/16/21	1.7%	16.0%	1.3%	3.3%	9.61
04/09/21	2.4%	19.0%	1.3%	0.7%	11.63
Change	-0.8%	-3.0%	0.0%	2.6%	-2.02



Sector	04/16/21	04/09/21	Change	BM	O/U
Basic Materials	14.2%	14.0%	0.2%	3.0%	11.2%
Communications	7.4%	7.4%	0.0%	8.6%	-1.2%
Consumer, Cyclical	7.3%	7.2%	0.0%	7.1%	0.2%
Consumer, Non-cyclical	13.7%	14.1%	-0.4%	13.0%	0.7%
Energy	4.4%	4.6%	-0.1%	2.8%	1.6%
Financial	12.4%	12.8%	-0.5%	16.6%	-4.2%
Government	16.0%	19.2%	-3.2%	25.9%	-9.8%
Industrial	7.0%	7.1%	-0.1%	7.1%	-0.1%
Technology	9.6%	9.4%	0.2%	10.1%	-0.6%
Utilities	2.5%	2.4%	0.0%	4.1%	-1.7%



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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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