



BMO Tactical Balanced ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

We made 2 trades last week. We added a new thematic position in uranium. We believe this is a key player in the low carbon future. The news of radiation issue in China offered an opportunity to buy some exposure on weakness. Our feature chart on page 1 highlights a decade long base pattern. Dips should be bought. The second trade this week came as the FOMC surprised with a bit more hawkish taper talk at the recent meeting strengthening the US dollar. We shifted about 10% of our S&P 500 exposure to hedged exposure. We do not believe the US dollar will be biased to weakness as the fiscal outlook deteriorates. For now, the more hawkish talk caught many leaning and we look to hedge up exposure on additional US dollar strength.

Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	29.8%
ZSP	BMO S&P 500 Index ETF	19.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	9.8%
ZGD	BMO Equal Weight Global Gold Index ETF	4.9%
ZEM	BMO MSCI Emerging Markets Index ETF	3.2%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	1.3%
ZCLN	BMO Clean Energy Index ETF	1.2%
XLE	Energy Select Sector SPDR Fund	1.2%
ZUS/U	BMO Ultra Short-Term US Bond ETF	0.9%
HMMJ	Horizons Marijuana Life Sciences Index ETF	0.9%
ZPR	BMO Laddered Preferred Share Index ETF	0.9%
INDA	iShares MSCI India ETF	0.7%
KBA	KraneShares Boserá MSCI China A ETF	0.7%
URA	Global X Uranium 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	0.4%
EWZ	iShares MSCI Brazil ETF	0.4%
EWU	iShares MSCI United Kingdom ETF	0.1%

Macro Market Strategy

We have been surprised by the strength in bonds. The stronger US dollar on a more hawkish Fed opens the opportunity in emerging market debt. We look to tactically add back EMLC during this period of repricing Fed risk.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **High**

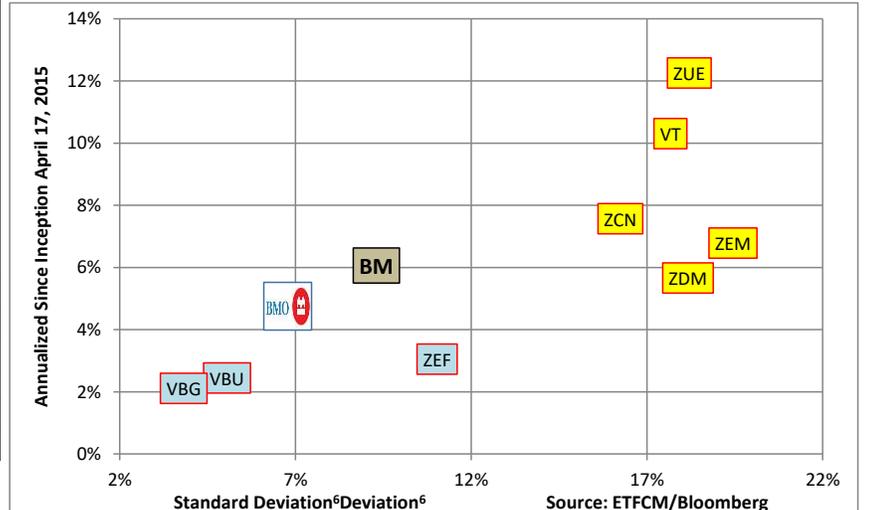
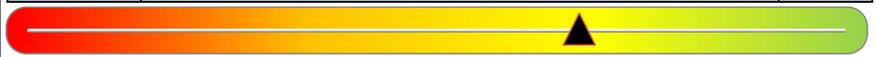
The current core portfolio beta is 57.4% The current degree of beta protection is about -26%.

When the PRO EYES indicator is at elevated levels (above 75%), as it is recently hit, we will have higher degree of beta protection on the portfolio. Historically, corrections that follow have a median of 7.3% and an average of 11.1% over the past 20 years. We have our downside hedge on the S&P 500 in place from 4200-3750 with a covered call at 4400 through Sept 30th. This is a tactical hedge and is actively adjusted as opportunities develop. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

Performance Metrics (A-Series) as of (06/18/21)

Total Return	Net	Gross	Up/Downside ⁵	
YTD	1.52%	2.39%	Upside	12%
Prev. Month	2.40%	2.56%	Down	7%
Prev. Quarter	5.33%	5.81%	Mths Up	47
Prev. Year	3.28%	5.20%	Mths Dn	27
Ann. SI (04/17/15)	2.83%	4.75%		
Sharpe Ratio	0.70			
Fund Codes:	Advisor BMO99222; F-Class BMO95222; No Load Retail: BMO70222			

Defense **Core Beta: 57.4%** Offense



Source: ETFCM/Bloomberg

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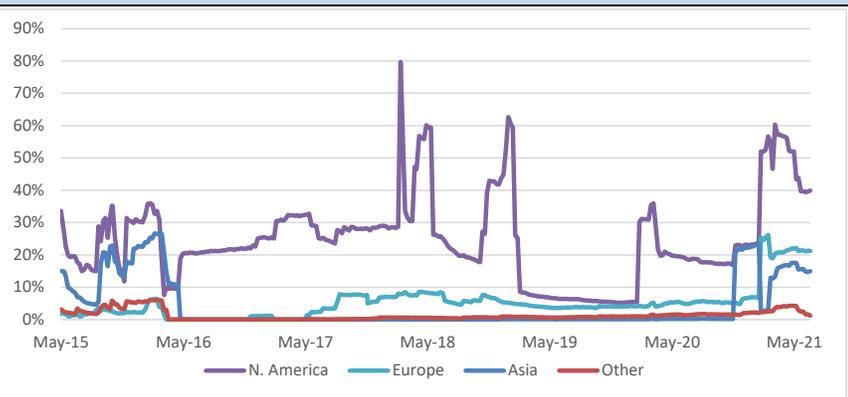
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
06/18/21	39.9%	21.2%	14.9%	1.2%
06/11/21	39.6%	21.3%	14.7%	1.6%
Change	0.3%	-0.1%	0.2%	-0.4%

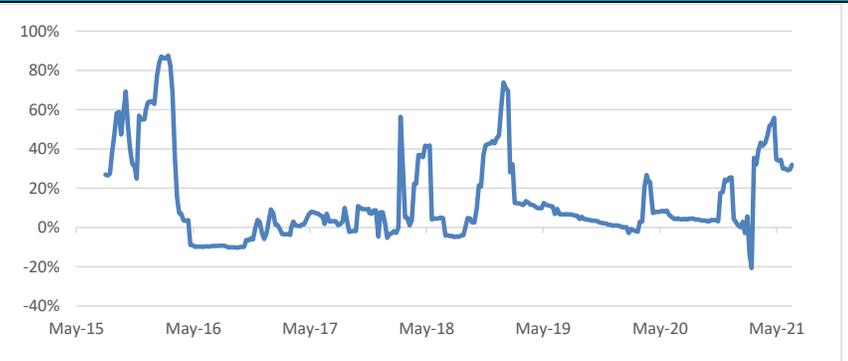
Bonds	Corp.	Govt.	Pref.	Cash
06/18/21	0.9%	0.4%	1.4%	21.9%
06/11/21	0.9%	0.4%	1.3%	22.4%
Change	0.0%	0.0%	0.0%	-0.5%

Bonds	Duration
06/18/21	0.30
06/11/21	0.29
Change	0.01

Sector	06/18/21	06/11/21	Change	BM
Basic Materials	9.7%	9.8%	-0.2%	2.8%
Communications	7.4%	7.4%	0.0%	7.6%
Consumer, Cyclical	7.6%	7.6%	0.0%	6.6%
Consumer, Non-cyclical	15.0%	15.0%	0.0%	13.6%
Energy	4.3%	4.3%	0.0%	3.7%
Financial	13.2%	13.1%	0.1%	18.5%
Government	0.4%	0.4%	0.0%	25.8%
Industrial	7.4%	7.3%	0.1%	7.2%
Technology	9.5%	9.4%	0.0%	7.9%
Utilities	2.8%	2.7%	0.0%	4.1%

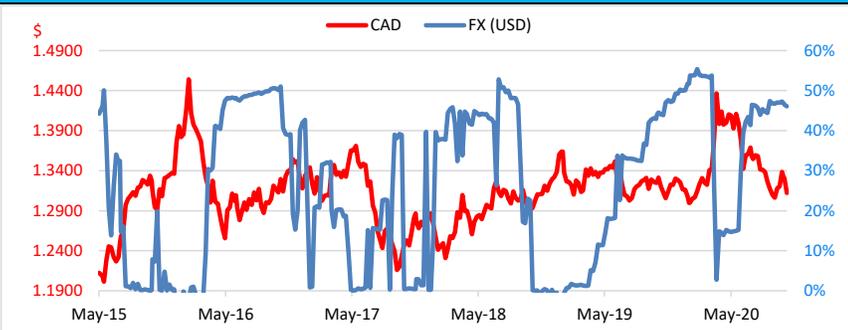


Net Beta (Core - Protection): 31.8%



As of: 06/18/21	06/18/21	06/11/21	Change
FX (USD)	47.9%	56.7%	-8.8%
Beta ²	57.4%	55.9%	1.5%
Protection	-25.6%	-26.4%	0.8%
Correlation	51.9%	51.2%	0.8%
Yield ³	1.77%	1.77%	0.00%
ETF Holdings	19	17	2
Volatility ⁴	6.78%	6.79%	-0.01%
CAD	1.2465	1.2158	2.5%

Tactical FX Exposure (USD)



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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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