



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

Our feature chart of the week is of the uranium sector relative to the S&P 500 since the Fukushima peak in 2011. If you believe in a green future, than you MUST be bullish on nuclear to get us there. We added to this thematic holding (URA) this week on rumours that a leveraged fund needed to unwind exposure in the sector. Looking ahead, we are planning to add a bit more put protection for August and September seasonal volatility, which has a strong catalyst this year, and may have started this week with a poor start to earnings season. The real test will be closer to month end and big tech earnings. We are also looking to fully hedge US\$ exposure into additional C\$ weakness below 80 cents.

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	29.8%
RSP	Invesco S&P 500 Equal Weight ETF	15.7%
ZEA	BMO MSCI EAFE Index ETF	9.8%
ZGD	BMO Equal Weight Global Gold Index ETF	8.2%
ZEM	BMO MSCI Emerging Markets Index ETF	5.3%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	4.1%
DXJ	WisdomTree Japan Hedged Equity Fund	2.8%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.4%
ZSP	BMO S&P 500 Index ETF	2.1%
ZCLN	BMO Clean Energy Index ETF	2.1%
XLE	Energy Select Sector SPDR Fund	1.8%
VNM	Vanek Vectors Vietnam ETF	1.8%
URA	Global X Uranium ETF	1.8%
INDA	iShares MSCI India ETF	1.7%
HMMJ	Horizons Marijuana Life Sciences Index ETF	1.4%
EWU	iShares MSCI United Kingdom ETF	1.3%
EWX	iShares MSCI Mexico ETF	1.2%
KBA	KraneShares Boser MSCI China A ETF	1.1%
KWEB	KraneShares CSI China Internet ETF	1.0%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.9%

Macro Market Strategy

We know that the US Treasury needs to raise another \$600B in excess of what the Fed is monetizing in Q3. Taper talk should add some stress to this outcome, but not until the Treasury General account is spent down at the end of July and the debt ceiling is reached. That should negatively impact equity risk premium and stress yields higher. Earnings expectations for the S&P 500 are now 191 for 2021 and 213 for 2022, a multiple contraction with a less accommodative Fed should unwind some of that liquidity premium priced in over the COVID largess. 20x (still high) makes the 3800-3900 area very important support Q3 dip buying. If rates stay low and we do not see the expected rise in yields, then 22x the 2022 expectation of 213 makes 4700 a target for a 2022 high point. We do expect an official tapering announcement at the late August Jackson Hole.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **High**

The current core portfolio beta is 90.8% The current degree of beta protection is about -47%.

When the PRO EYES indicator is at elevated levels (above 75%), as it 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 (07/16/21)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	7.93%	8.92%	Upside	20%
Prev. Qtr.	1.66%	2.13%	Downside	26%
Prev. Year	5.94%	7.86%	Months Up	46
Since Inception	37.34%	46.91%	Months Dn	15
Ann. SI (04/28/16)	6.24%	8.16%		
Sharpe Ratio		0.96		

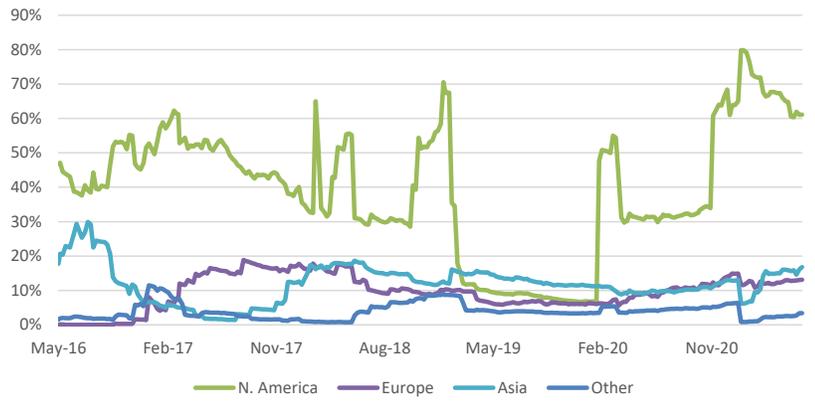
Defense Core Portfolio Beta: 90.8% Offense



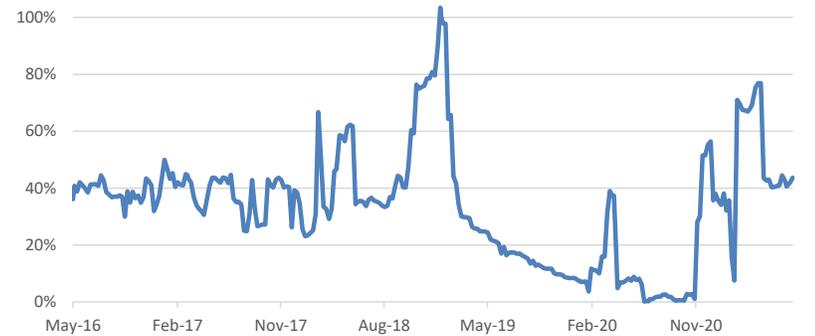
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
07/16/21	62.9%	13.3%	18.4%	3.4%
07/09/21	62.8%	13.3%	17.7%	3.3%
Change	0.1%	-0.1%	0.6%	0.1%

Sector	07/16/21	07/09/21	Change	BM
Basic Materials	16.41%	15.94%	0.5%	4.5%
Communications	9.61%	9.54%	0.1%	13.3%
Consumer, Cyclical	9.63%	9.61%	0.0%	10.8%
Consumer, Non-cyclical	17.01%	16.96%	0.0%	19.6%
Energy	5.47%	5.75%	-0.3%	3.7%
Financial	14.58%	14.40%	0.2%	18.1%
Government	0.03%	0.03%	0.0%	18.1%
Industrial	9.25%	9.12%	0.1%	10.6%
Technology	12.36%	12.27%	0.1%	16.8%
Utilities	3.57%	3.48%	0.1%	2.6%

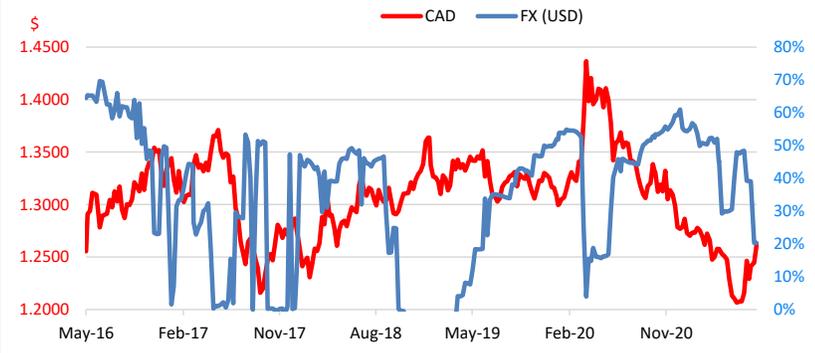


Net Beta (Core - Protection): 43.7%



As of: Jul 16 2021	07/16/21	07/09/21	Change
FX (USD)	20.3%	20.3%	0.0%
Beta ²	90.8%	90.0%	0.8%
Protection	-47.1%	-48.2%	1.1%
Correlation	81.5%	80.1%	1.4%
Yield ³	1.28%	1.26%	0.02%
ETF Holdings	23	23	0
Volatility ⁴	8.49%	8.64%	-0.16%
CAD	1.2613	1.2447	1.3%

Tactical FX Exposure (USD)



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