



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

WE added to select EM exposure this week with a first 0.5% allocation to Thailand (THD). It's a region of the world that will likely benefit from the secondary impact of Chinese growth (Silk Road). Our chart of the week shows good relative value (vs. S&P 500) on the yellow line as well as the absolute correction back to the lower channel line (upper chart). Looking forward, the stronger US dollar post employment report could doffer more tactical opportunity on the FX side in the coming weeks as investors debate the timing of tapering.

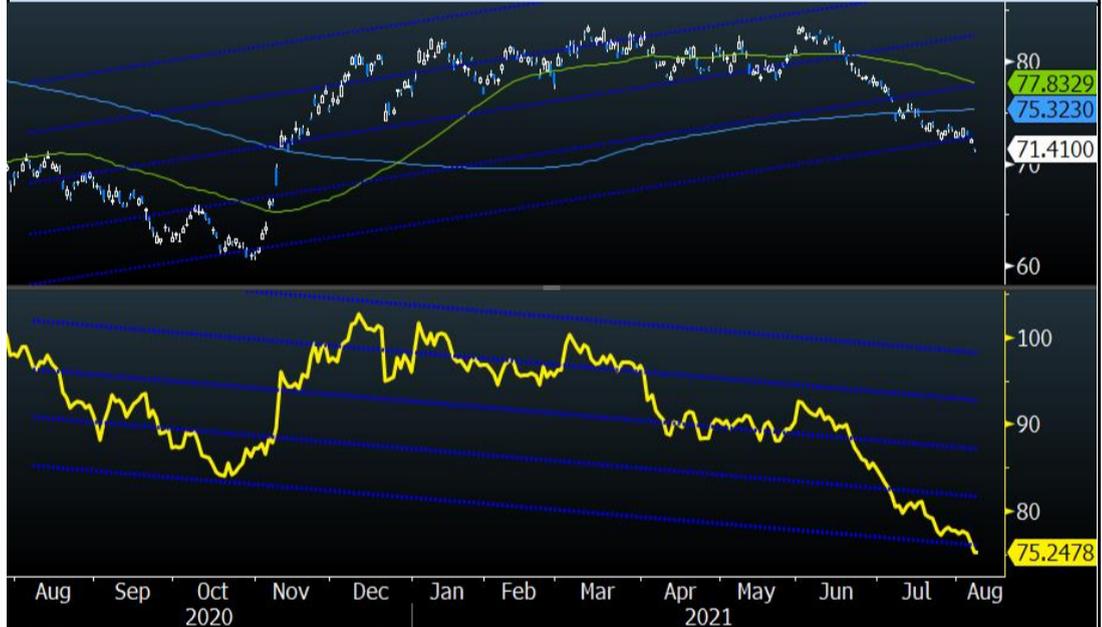
Macro Market Strategy

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 198 for 2021 and 217 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 3900-4000 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 217 makes 4800 a target for a 2022 high point. We do expect an official tapering announcement at the late August Jackson Hole.

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	31.3%
RSP	Invesco S&P 500 Equal Weight ETF	16.3%
ZEA	BMO MSCI EAFE Index ETF	10.1%
ZGD	BMO Equal Weight Global Gold Index ETF	8.1%
ZEM	BMO MSCI Emerging Markets Index ETF	5.2%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	4.3%
DXJ	WisdomTree Japan Hedged Equity Fund	2.9%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.6%
ZCLN	BMO Clean Energy Index ETF	2.2%
VNM	Vanek Vectors Vietnam ETF	1.9%
XLE	Energy Select Sector SPDR Fund	1.9%
URA	Global X Uranium ETF	1.8%
INDA	iShares MSCI India ETF	1.7%
KWEB	KraneShares CSI China Internet ETF	1.6%
HMMJ	Horizons Marijuana Life Sciences Index ETF	1.4%
EWU	iShares MSCI United Kingdom ETF	1.4%
EWV	iShares MSCI Mexico ETF	1.2%
KBA	KraneShares BoserA MSCI China A ETF	1.1%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.9%
EWZ	iShares MSCI Brazil ETF	0.7%

Chart of the Week



THD US Equity (iShares MSCI Thailand ETF) vs. SPX (Hedge) Daily 29JUL2020-0 Copyright© 2021 Bloomberg Finance L.P. 08-Aug-2021 10:45:25

PRO-EYES - Berman's Call

Risk Level

High

The current core portfolio beta is 92.3% The current degree of beta protection is about -54%.

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 (08/06/21)

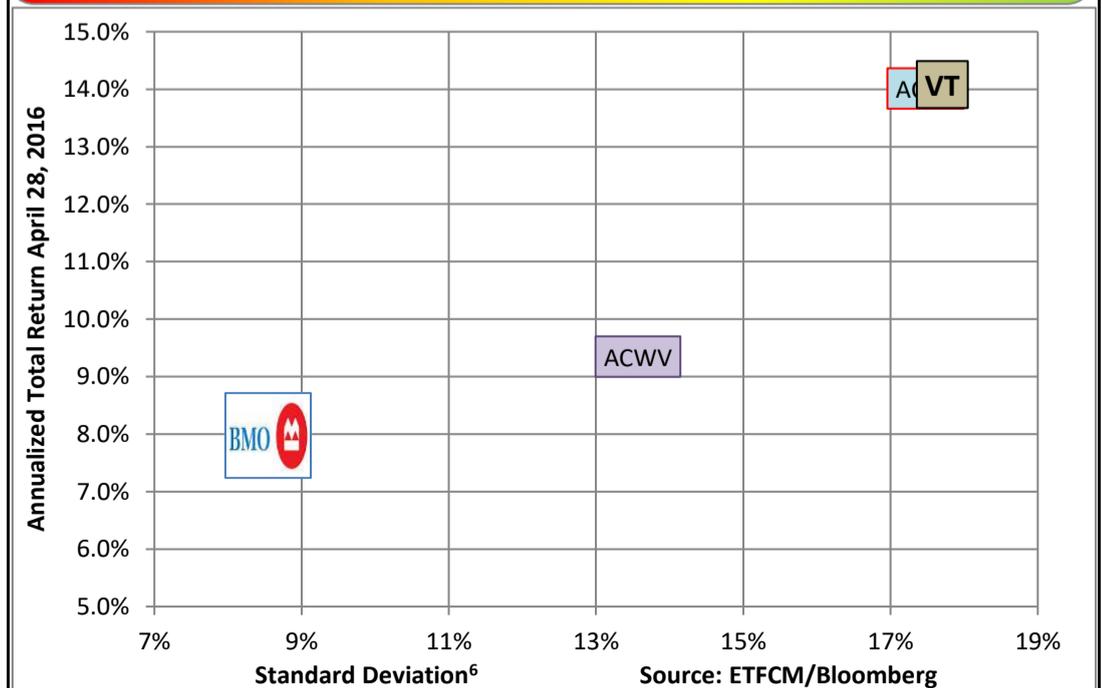
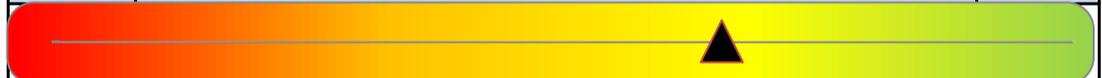
Total Return	Net	Gross	Upside/Downside ⁵	
YTD	7.30%	8.40%	Upside	20%
Prev. Qtr.	0.78%	1.26%	Downside	26%
Prev. Year	4.63%	6.55%	Months Up	47
Since Inception	36.54%	46.21%	Months Dn	15
Ann. SI (04/28/16)	6.05%	7.97%		
Sharpe Ratio		0.93		

Fund Codes: Advisor BMO99762; F-Class BMO95762; No Load Retail: BMO70762

Defense

Core Portfolio Beta: 92.3%

Offense



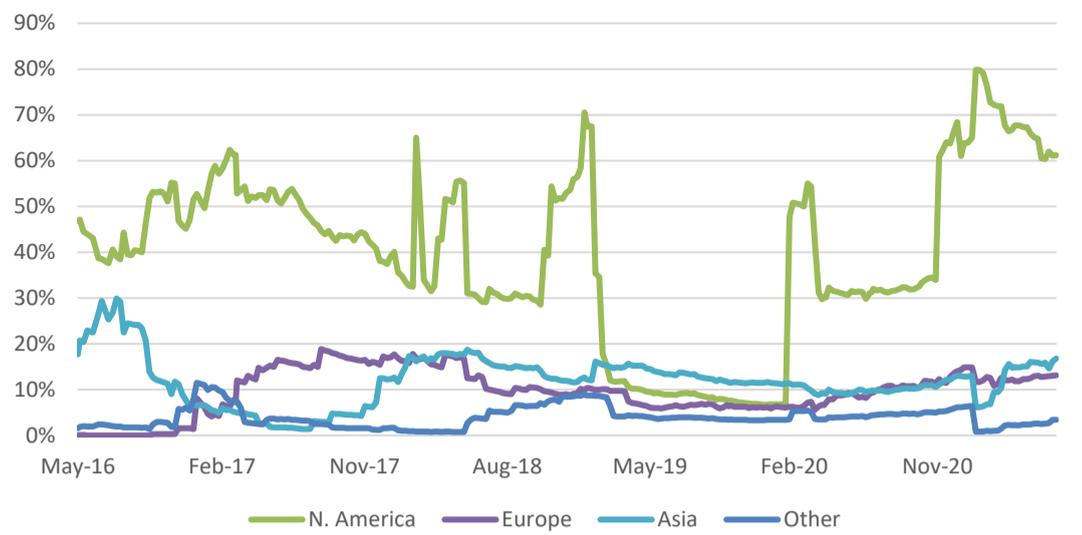
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Tactical Asset Allocation

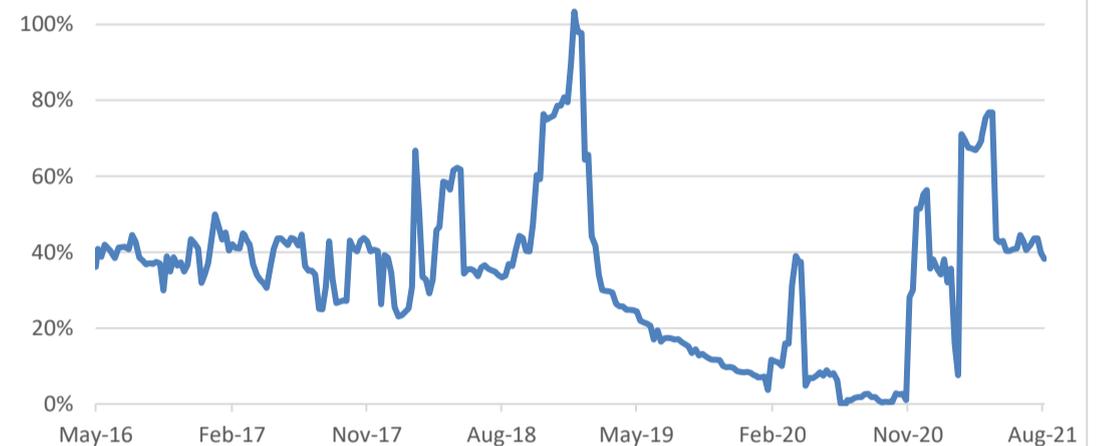
Equity	N. America	Europe	Asia	Other
08/06/21	63.4%	13.9%	19.4%	3.3%
07/30/21	64.1%	13.7%	18.9%	3.4%
Change	-0.7%	0.2%	0.6%	-0.1%

Sector	08/06/21	07/30/21	Change	BM
Basic Materials	16.55%	17.14%	-0.6%	4.5%
Communications	9.85%	9.93%	-0.1%	13.3%
Consumer, Cyclical	9.95%	9.84%	0.1%	10.8%
Consumer, Non-cyclical	17.24%	17.22%	0.0%	19.6%
Energy	5.66%	5.55%	0.1%	3.7%
Financial	14.84%	14.64%	0.2%	18.1%
Government	0.03%	0.02%	0.0%	18.1%
Industrial	9.62%	9.47%	0.2%	10.6%
Technology	12.62%	12.60%	0.0%	16.8%
Utilities	3.67%	3.59%	0.1%	2.6%

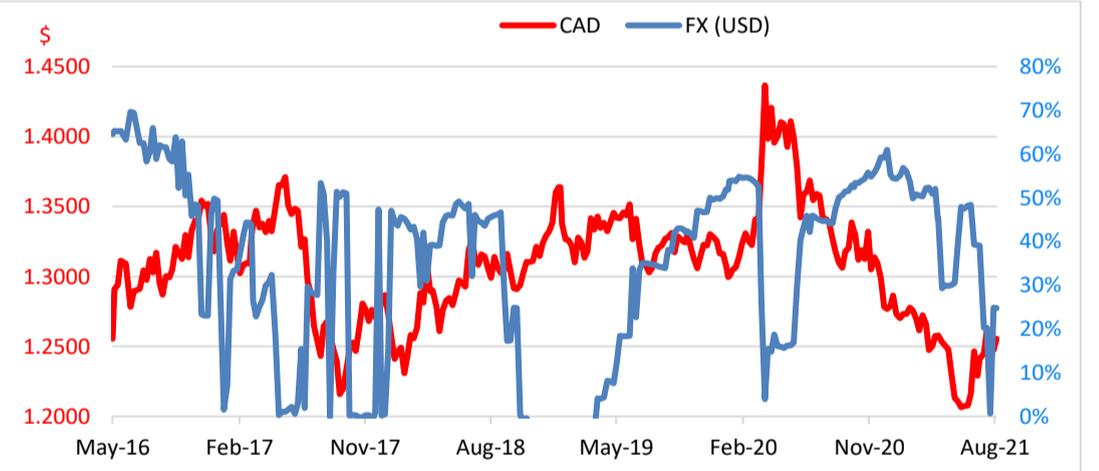
As of: Aug 6 2021	08/06/21	07/30/21	Change
FX (USD)	24.8%	24.8%	-0.1%
Beta ²	92.3%	91.3%	1.0%
Protection	-54.0%	-51.5%	-2.5%
Correlation	84.0%	82.8%	1.2%
Yield ³	1.29%	1.28%	0.01%
ETF Holdings	23	22	1
Volatility ⁴	8.55%	8.56%	-0.01%
CAD	1.2554	1.2475	0.6%



Net Beta (Core - Protection): 38.3%



Tactical FX Exposure (USD)



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