



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

The failure of large cap tech to resume leadership and the continued strength in commodities suggests a value shift is still underpinning the market. Powell sounded very hawkish last week and as we approach the dual headwind of less accommodation and governmental backlash on big-tech should play out into 2022. Meanwhile, concerns over China's new scrutiny over their tech space is moderating and our exposure there is beginning play out. EM remains one of the best risk-adjusted regions looking forward. On that score, weakness in Brazil is seen as a longer-term opportunity to build exposure as well. Though India remains a top pick in addition to other emerging Asian countries.

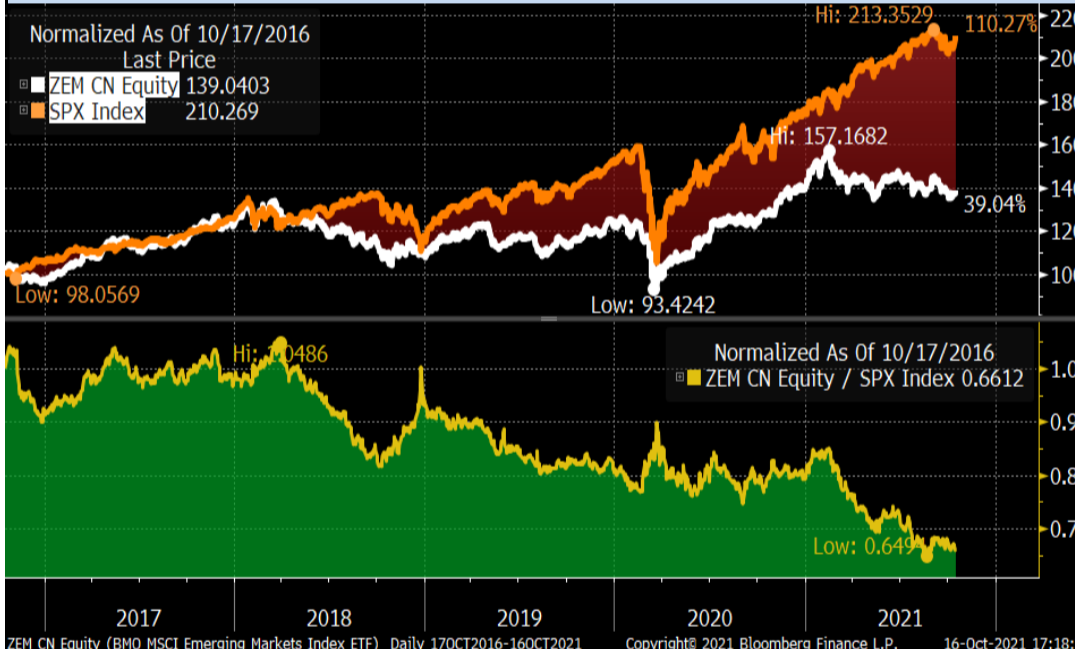
Macro Market Strategy

The FOMC will most likely start the taper in November and it is targeted to end by mid 2022. We see more than \$1T of new debt that needs to be funded in fiscal 2022 for the US Treasury. This should push bond yields up and the equity risk premium higher. That should lower the forward multiple by 1-2x or 200-400 S&P points. That would wipe out any EPS growth in 2022. So the fair value of the market is about where it sits today for the end of 2022. This does not rule out a test of 5000 and a dip below 4000 in the middle. Inflation is a huge wildcard if it proves more than transitory, which is where we are leaning to more of a stagflation outcome.

Top Holdings

Ticker	Name	Position
ZSP	BMO S&P 500 Index ETF	21.2%
RSP	Invesco S&P 500 Equal Weight ETF	16.0%
ZEA	BMO MSCI EAFE Index ETF	10.2%
GDX	VanEck Gold Miners ETF/USA	7.1%
ZEM	BMO MSCI Emerging Markets Index ETF	5.3%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	4.4%
FLGB	Franklin FTSE United Kingdom ETF	4.1%
XLE	Energy Select Sector SPDR Fund	3.4%
FLJH	Franklin FTSE Japan Hedged ETF	3.0%
KWEB	KraneShares CSI China Internet ETF	2.9%
ZCLN	BMO Clean Energy Index ETF	2.2%
KBA	KraneShares Boserer MSCI China A ETF	2.1%
URA	Global X Uranium ETF	2.0%
PAVE	Global X US Infrastructure Development ETF	2.0%
FLIN	Franklin FTSE India ETF	1.9%
VNM	VanEck Vietnam ETF	1.9%
HMMJ	Horizons Marijuana Life Sciences Index ETF	1.8%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	1.4%
FLBR	Franklin FTSE Brazil ETF	1.2%
FLMX	Franklin FTSE Mexico ETF	1.2%

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Medium**

The current core portfolio beta is 91.5%. The current degree of beta protection is about -2%.

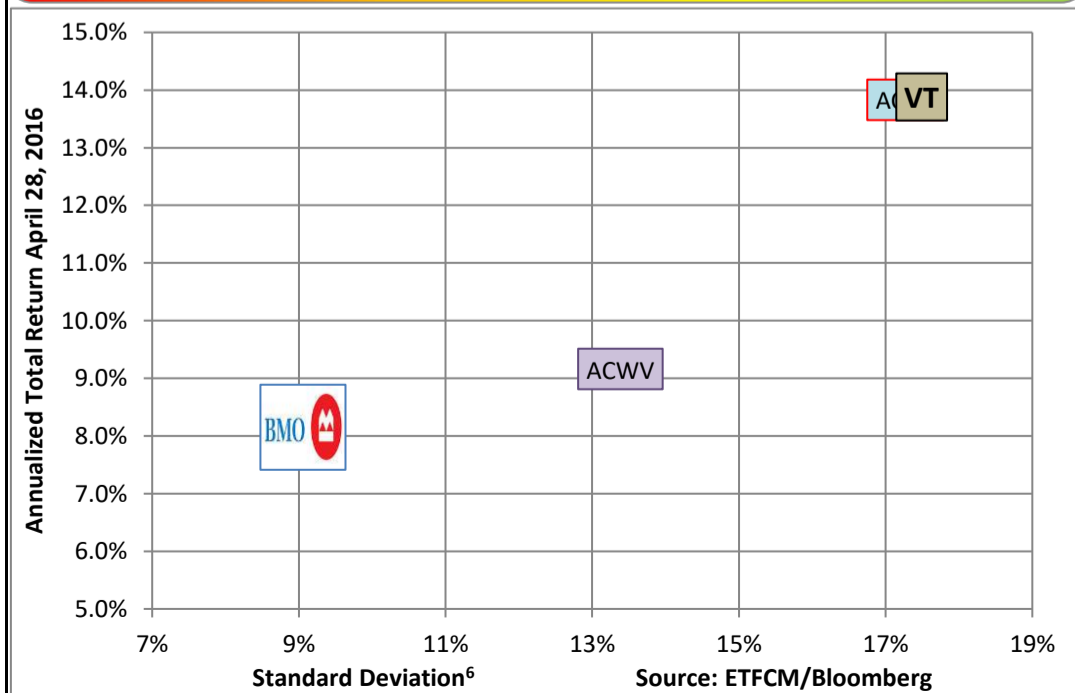
When the PRO EYES indicator is at elevated levels (above 75%), as it recently hit, we will have higher degree of beta protection on the portfolio. Historically, corrections that follow have a median of 7.3% and an average of 11.1% over the past 20 years. The recent correction has reduced the high caution levels and we accordingly modified the hedge position. We have put protection in place through Oct 29 from 4325 to 4100 or a 10% peak-to-trough correction. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

Performance Metrics (A-Series) as of (10/22/21)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	9.66%	11.15%	Upside	19%
Prev. Qtr.	2.67%	3.14%	Downside	27%
Prev. Year	11.32%	13.24%	Months Up	48
Since Inception	39.55%	49.60%	Months Dn	16
Ann. SI (04/28/16)	6.23%	8.15%		
Sharpe Ratio		0.90		

Fund Codes: No Load Retail: BMO70762

Defense Core Portfolio Beta: 91.5% Offense



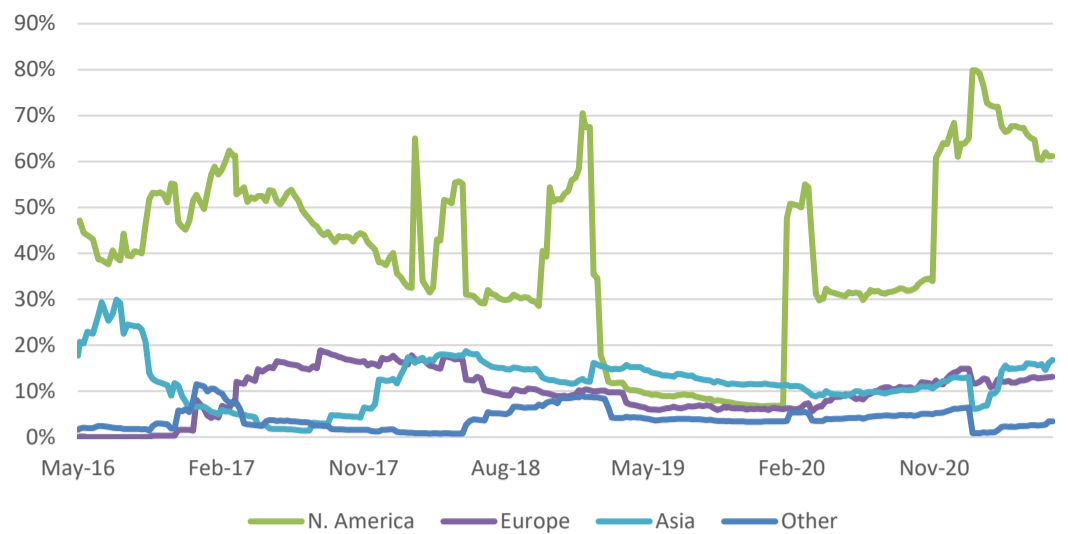
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Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
10/22/21	57.4%	13.7%	23.4%	3.1%
10/15/21	57.1%	13.7%	23.4%	3.2%
Change	0.3%	0.0%	0.0%	-0.2%

Sector	10/22/21	10/15/21	Change	BM
Basic Materials	16.44%	17.03%	-0.6%	4.5%
Communications	9.39%	9.36%	0.0%	13.1%
Consumer, Cyclical	9.06%	9.01%	0.0%	10.6%
Consumer, Non-cyclical	16.12%	16.02%	0.1%	19.7%
Energy	8.05%	7.84%	0.2%	3.3%
Financial	14.27%	14.10%	0.2%	18.1%
Government	0.00%	0.00%	0.0%	18.1%
Industrial	10.45%	10.29%	0.2%	10.6%
Technology	10.43%	10.22%	0.2%	17.4%
Utilities	3.31%	3.49%	-0.2%	2.7%

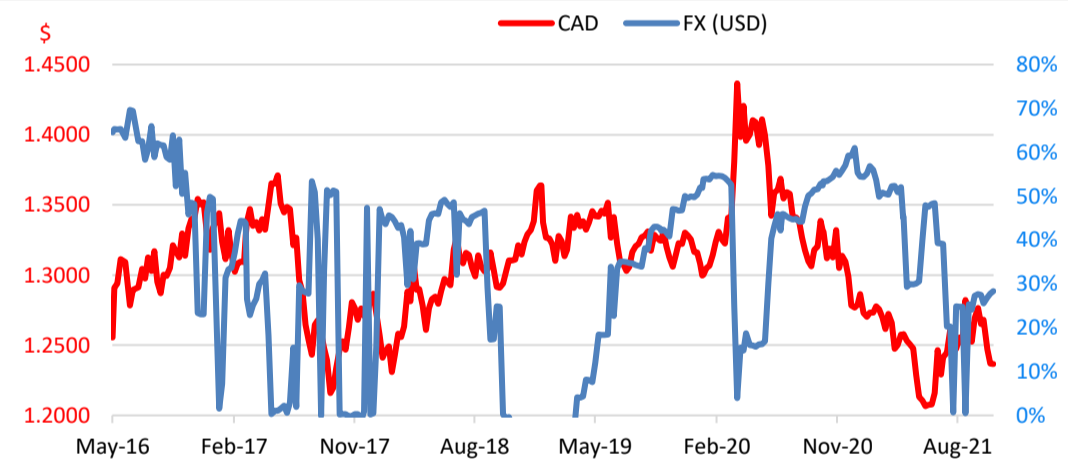
As of: Oct 22 2021	10/22/21	10/15/21	Change
FX (USD)	28.3%	27.7%	0.6%
Beta ²	91.5%	91.3%	0.2%
Protection	-1.9%	-9.9%	8.0%
Correlation	79.0%	78.7%	0.2%
Yield ³	1.33%	1.33%	0.00%
ETF Holdings	23	23	0
Volatility ⁴	9.06%	8.91%	0.15%
CAD	1.2366	1.2368	0.0%



Net Beta (Core - Protection): 89.6%



Tactical FX Exposure (USD)



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