



# BMO Tactical Global Growth ETF Fund

### Core Tactical/Strategic Portfolio Outlook/Adjustments

Over the past year we are now beating all our relevant benchmarks as seen in the chart of the week. We have long said that we need more volatile markets, which is where our sleep-at-night (Sharpe ratio) style adds value. With that in mind, we added a tranche to the volatility protection sleeve after the strong rally. We heard from the FOMC this week. Some want to raise rates aggressively, the doves are flying the coop. The most dovish now see the terminal dot well over 2%. We doubt they get even close before QT and rate hikes crush growth. Time will tell. Earnings matter and what FEDEX said this week should matter too. Cost pressures are not likely to abate anytime soon. We are still a few weeks from earnings, which expectations are still growing, so markets are NOT AT ALL priced for disappointment despite the recent weakness.

### Macro Market Strategy

The rally back up to resistance zones has us adding back some volatility protection to the portfolio. We look to add more on strength and reduce on weakness. We think this is a very two-way market for the next few months. Once QT starts, we would be more concerned that equity risk premiums will rise and multiples will contract. For now, the FOMC tells us they have the tools to navigate a soft landing and the market believes them. The risk of a policy mistake is significant. But positions got very defensive and so market is capable of recovering some of the damage.

### PRO-EYES - Berman's Call

**Risk Level Medium**

The core portfolio beta is 93.7%. The degree of delta protection is -17% while the value of beta protection is 31%.

The tactical PRO-EYES factor has moved off the most oversold since the extremes of COVID, but the big picture suggests end of cycle risks which means rallies should be sold and the market can offer good two-way trade opportunities. Increase the tactical focus and bring out the end of cycle playbook until inflation cools and there is visibility to the end of the rate hike cycle. Forward money market curves suggest easing in 2024 and beyond. The next year or two will likely be extremely choppy.

### Performance Metrics (A-Series) as of (03/18/22)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	2.16%	2.56%	Upside	19%
<b>Prev. Qtr.</b>	3.57%	4.04%	Downside	28%
<b>Prev. Year</b>	9.65%	11.57%	Months Up	50
<b>Since Inception</b>	41.73%	52.52%	Months Dn	19
<b>Ann. SI (04/28/16)</b>	6.08%	8.00%		
<b>Sharpe Ratio</b>		0.82		

Fund Codes: No Load Retail: BMO70762

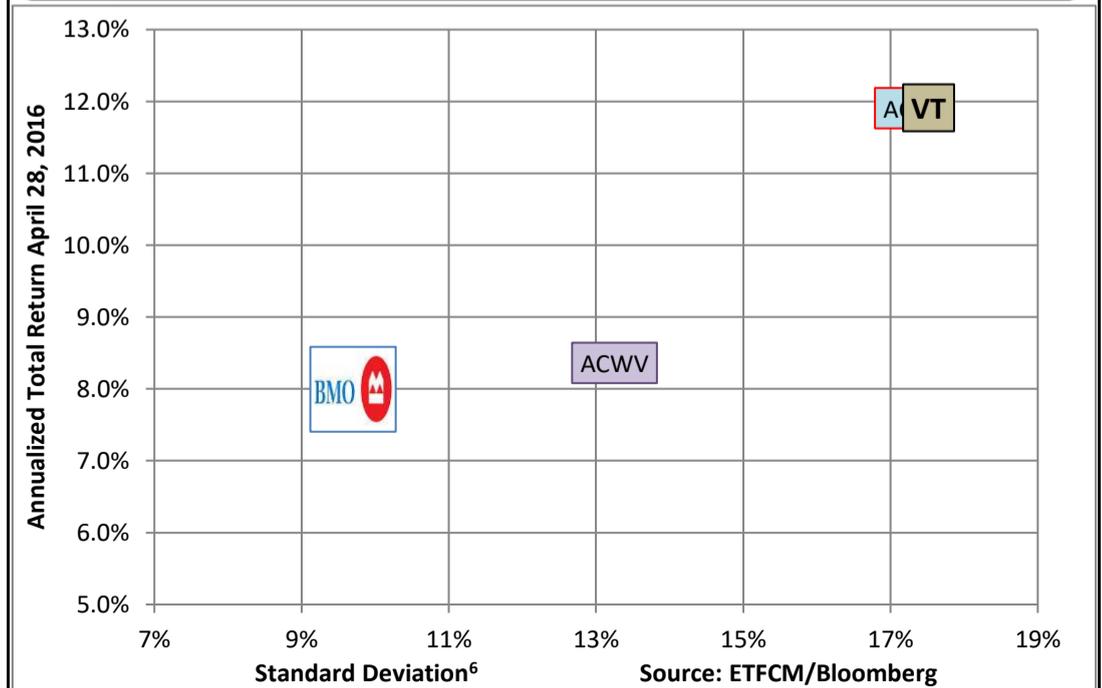
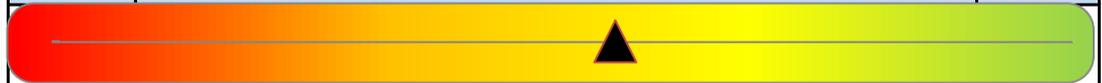
### Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	18.8%
RSP	Invesco S&P 500 Equal Weight ETF	17.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	13.4%
FLGB	Franklin FTSE United Kingdom ETF	5.6%
ZEM	BMO MSCI Emerging Markets Index ETF	5.1%
GDX	VanEck Gold Miners ETF/USA	4.3%
KWEB	KraneShares CSI China Internet ETF	3.9%
FLJH	Franklin FTSE Japan Hedged ETF	3.2%
URA	Global X Uranium ETF	3.1%
FLBR	Franklin FTSE Brazil ETF	2.9%
MJ	ETFMG Alternative Harvest ETF	2.6%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.6%
PAVE	Global X US Infrastructure Development ETF	2.3%
ZCLN	BMO Clean Energy Index ETF	2.2%
VNM	VanEck Vietnam ETF	2.0%
FLIN	Franklin FTSE India ETF	2.0%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	1.9%
FLMX	Franklin FTSE Mexico ETF	1.4%
FLKR	Franklin FTSE South Korea ETF	0.9%
EIDO	iShares MSCI Indonesia ETF	0.9%

### Chart of the Week



Defense | Core Portfolio Beta: 93.7% | Offense

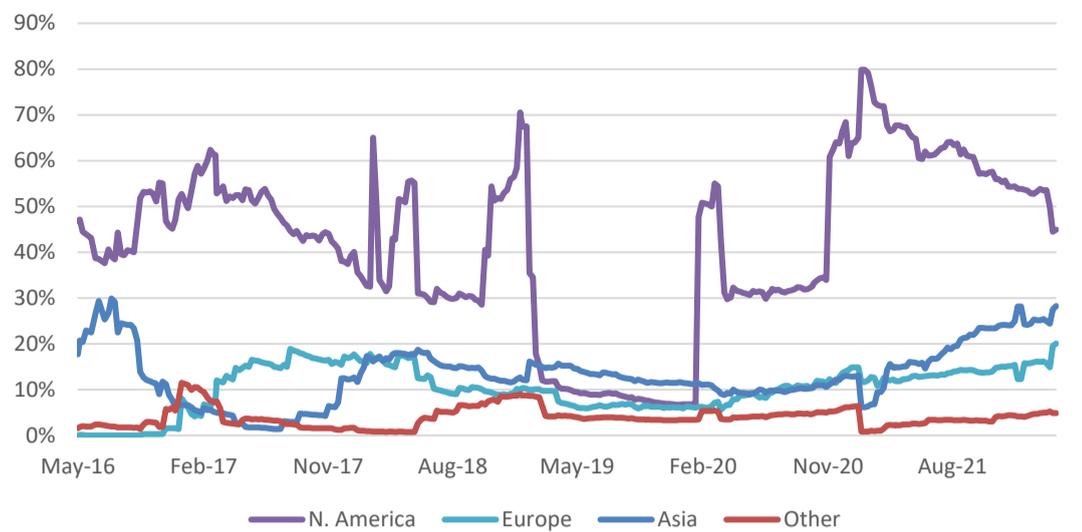


## Tactical Asset Allocation

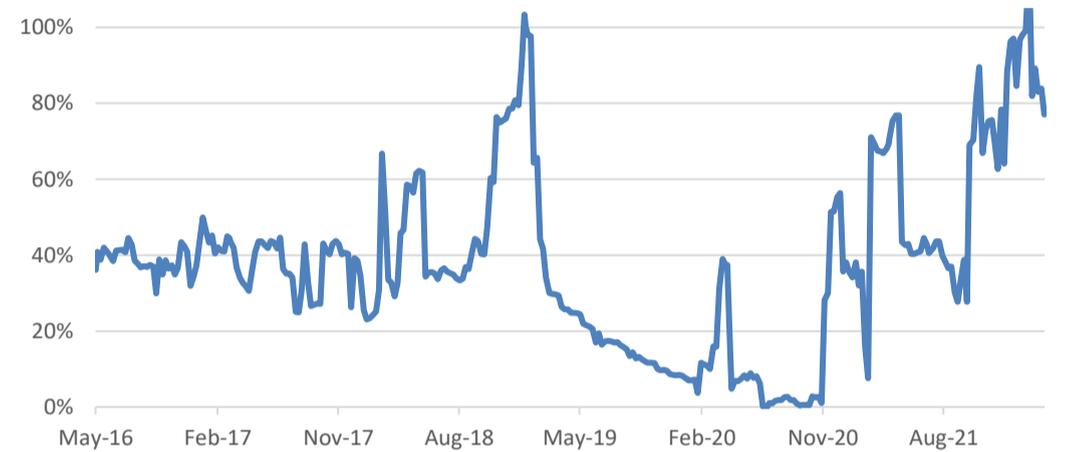
Equity	N. America	Europe	Asia	Other
03/18/22	44.9%	20.1%	28.2%	4.8%
03/11/22	44.5%	19.5%	27.5%	4.9%
Change	0.4%	0.6%	0.7%	0.0%

Sector	03/18/22	03/11/22	Change	BM
Basic Materials	14.26%	14.55%	-0.3%	4.4%
Communications	9.17%	8.61%	0.6%	11.7%
Consumer, Cyclical	9.44%	9.38%	0.1%	10.8%
Consumer, Non-cyclical	18.61%	18.26%	0.3%	19.0%
Energy	5.77%	5.54%	0.2%	4.2%
Financial	15.87%	15.56%	0.3%	19.0%
Government	0.03%	0.01%	0.0%	19.0%
Industrial	11.47%	11.31%	0.2%	10.2%
Technology	9.19%	9.05%	0.1%	17.9%
Utilities	4.12%	3.99%	0.1%	2.7%

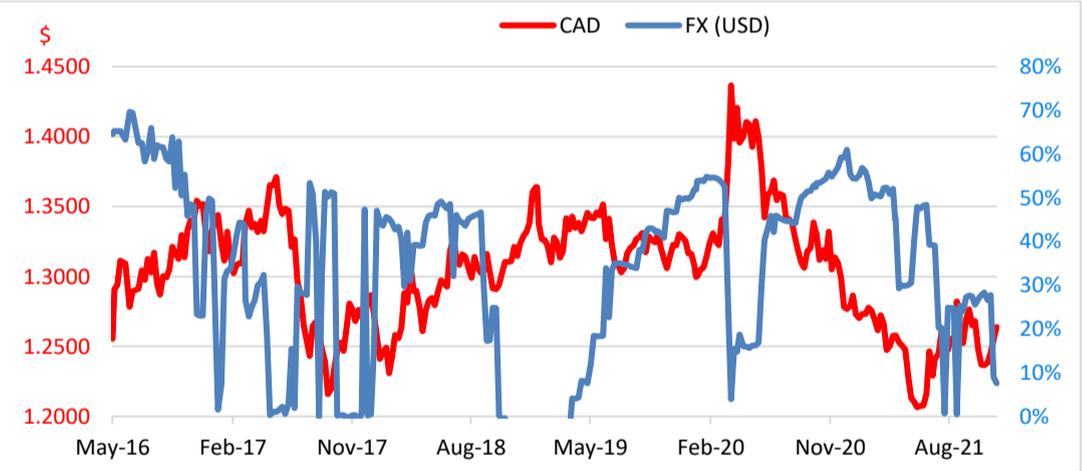
As of: Mar 18 2022	03/18/22	03/11/22	Change
FX (USD)	8.9%	7.7%	1.2%
Beta <sup>2</sup>	93.7%	91.8%	2.0%
Protection (Delta)	-16.6%	-7.9%	-8.8%
Correlation	77.3%	75.1%	2.2%
Yield <sup>3</sup>	2.38%	2.48%	-0.10%
ETF Holdings	23	23	0
Volatility <sup>4</sup>	9.70%	8.75%	0.95%
CAD	1.2603	1.2744	-1.1%



**Net Beta (Core - Protection): 77.1%**



**Tactical FX Exposure (USD)**



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