



BMO Tactical Balanced ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Our tactical style looks to sell high and buy low. This week we trimmed gold equity exposure (GDX). We look to add to other thematic sectors into expected weakness in the coming weeks. The challenge with growth sectors is the likely contracting multiple under a rising rate environment, so buying weakness makes sense over trying to chase the rallies, that will most likely fail for a while longer. Gold is a cyclical not a growth sector, so the lens is a bit different from a driver perspective. We are maintaining our volatility dampening hedges and look to cover near recent lows at a minimum. We can make a strong case that the S&P 500 dips below 500 in the coming quarters. Seasonality patterns are very poor for the next until Q4 and after the US election. On the bond side, we are quickly approaching 3.00% on the 30-year yield and we increased exposure to duration (TLT). We look to make that exposure 10% in the coming weeks/months setting up for the recession that the curve seems to be suggesting is likely.

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 was capable of recovering some of the damage. The Street narrative has turned very hawkish recognizing how far the FOMC is behind the curve. The eurodollar curve shows aggressive tightening into mid 2023 followed by an easing cycle. This means the money market sees a recession. The stock market multiple clearly does not. Which market is correct?

PRO-EYES - Berman's Call

Risk Level **High**

The core portfolio beta is 72.6%. The degree of delta protection is -23% while the value of beta protection is 47%.

The tactical PRO-EYES factor remains 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 (04/14/22)

Total Return	Net	Gross	Up/Downside ⁵	
YTD	-1.04%	-0.50%	Upside	15%
Prev. Month	3.50%	3.66%	Down	13%
Prev. Quarter	-0.94%	-0.46%	Mths Up	52
Prev. Year	3.76%	5.68%	Mths Dn	32
Ann. SI (04/17/15)	2.63%	4.55%		
Sharpe Ratio	0.59			
Fund Codes:	No Load Retail: BMO70222			

Top Holdings

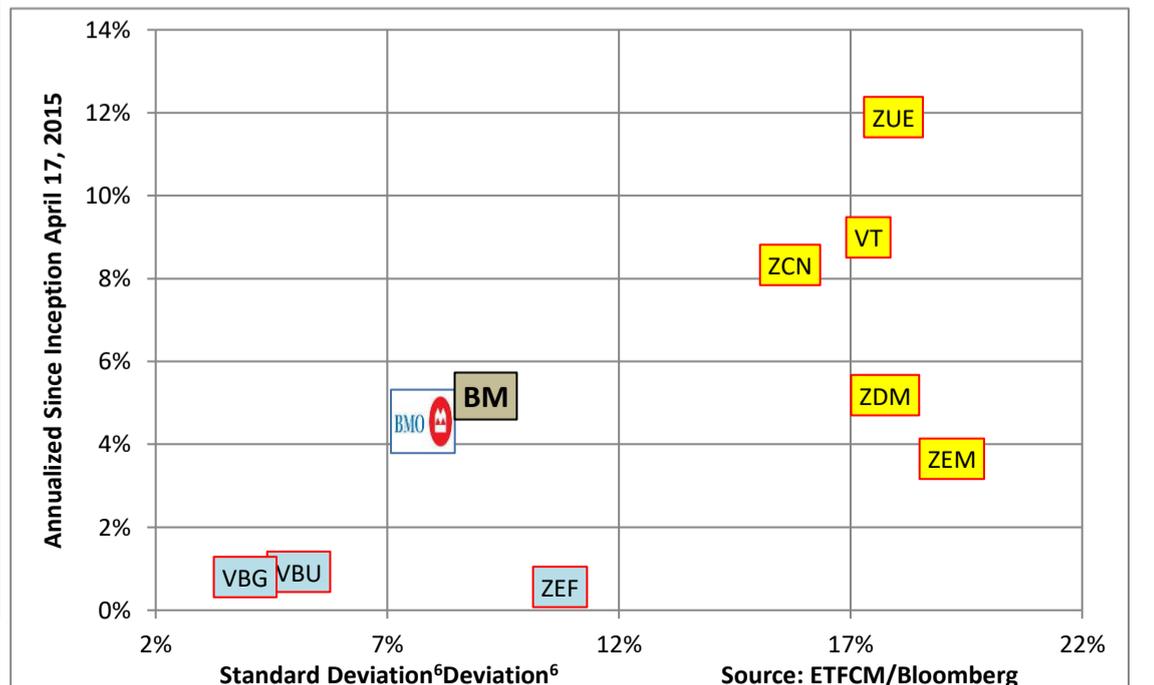
Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	26.6%
EMLC	VanEck J. P. Morgan EM Local Currency Bond ETF	12.2%
ZEM	BMO MSCI Emerging Markets Index ETF	10.3%
RSP	Invesco S&P 500 Equal Weight ETF	9.8%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	8.2%
VGK	Vanguard FTSE Europe ETF	4.7%
TLT	iShares 20+ Year Treasury Bond ETF	3.8%
ZMMK	BMO Money Market Fund ETF Series	3.7%
GDX	VanEck Gold Miners ETF/USA	2.3%
URA	Global X Uranium ETF	2.2%
KWEB	KraneShares CSI China Internet ETF	2.2%
MJ	ETFMG Alternative Harvest ETF	1.6%
PAVE	Global X US Infrastructure Development ETF	1.5%
ZCLN	BMO Clean Energy Index ETF	1.4%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	1.3%
ZUS/U	BMO Ultra Short-Term US Bond ETF	1.1%
ZPR	BMO Laddered Preferred Share Index ETF	1.0%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	1.0%
FLIN	Franklin FTSE India ETF	0.9%
FLGB	Franklin FTSE United Kingdom ETF	0.9%

Chart of the Week



Have a Happy (and Hoppy) Easter or Passover!

Defense | Core Portfolio Beta: 72.6% | Offense



Source: ETCM/Bloomberg

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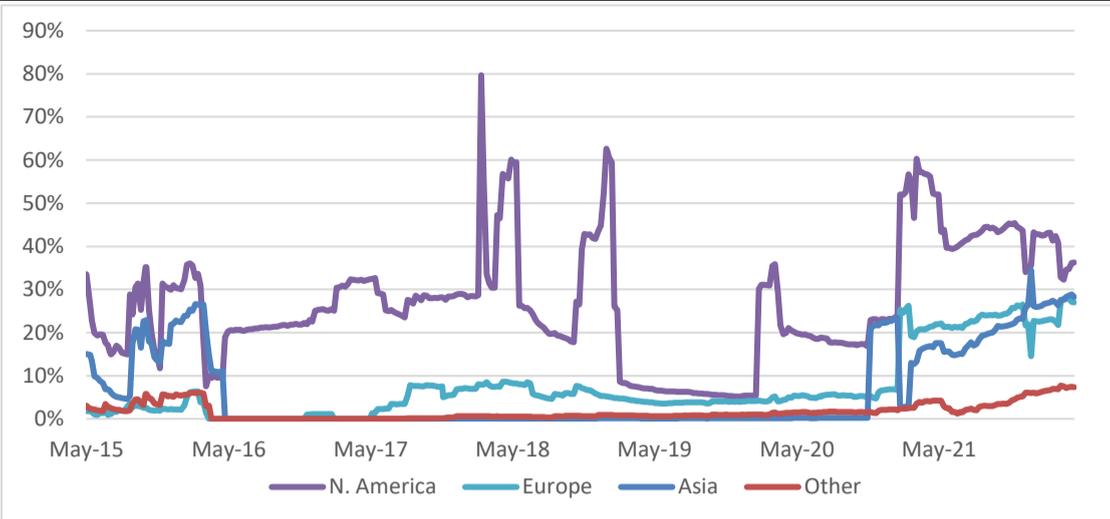
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
04/14/22	36.2%	27.0%	28.2%	7.3%
04/08/22	36.2%	27.1%	28.8%	7.4%
Change	0.0%	0.0%	-0.6%	-0.1%

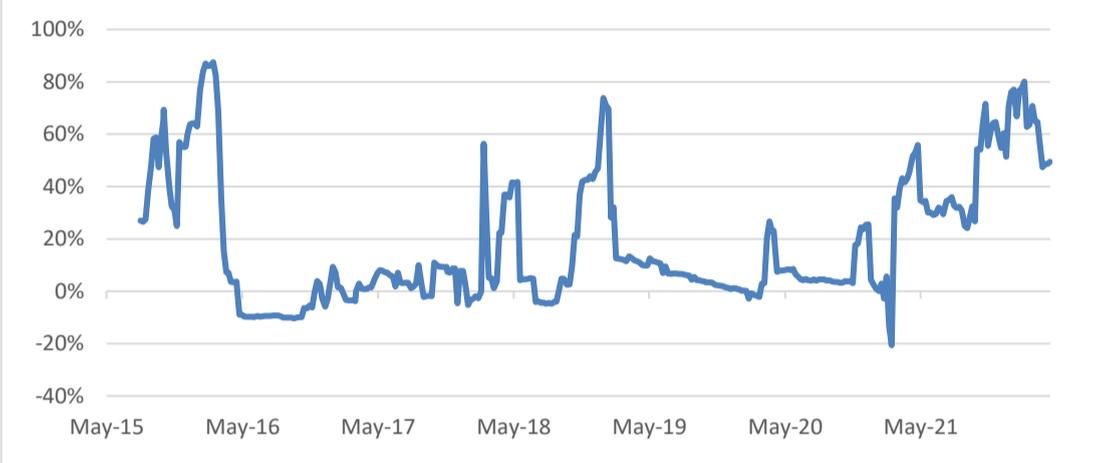
Bonds	Corp.	Govt.	Pref.	Cash
04/14/22	1.5%	19.4%	1.5%	0.8%
04/08/22	1.5%	18.5%	1.5%	0.3%
Change	0.0%	0.9%	0.0%	0.5%

Bonds	Duration
04/14/22	9.12
04/08/22	6.18
Change	2.95

Sector	04/14/22	04/08/22	Change	BM
Basic Materials	9.3%	10.2%	-0.9%	2.8%
Communications	7.0%	7.2%	-0.2%	7.7%
Consumer, Cyclical	7.8%	7.9%	-0.1%	7.0%
Consumer, Non-cyclical	15.8%	15.5%	0.2%	12.5%
Energy	4.4%	4.3%	0.0%	3.1%
Financial	14.4%	14.4%	0.0%	16.8%
Government	20.4%	19.6%	0.9%	25.4%
Industrial	8.8%	9.1%	-0.3%	6.7%
Technology	7.5%	7.8%	-0.4%	11.1%
Utilities	3.4%	3.3%	0.1%	2.4%

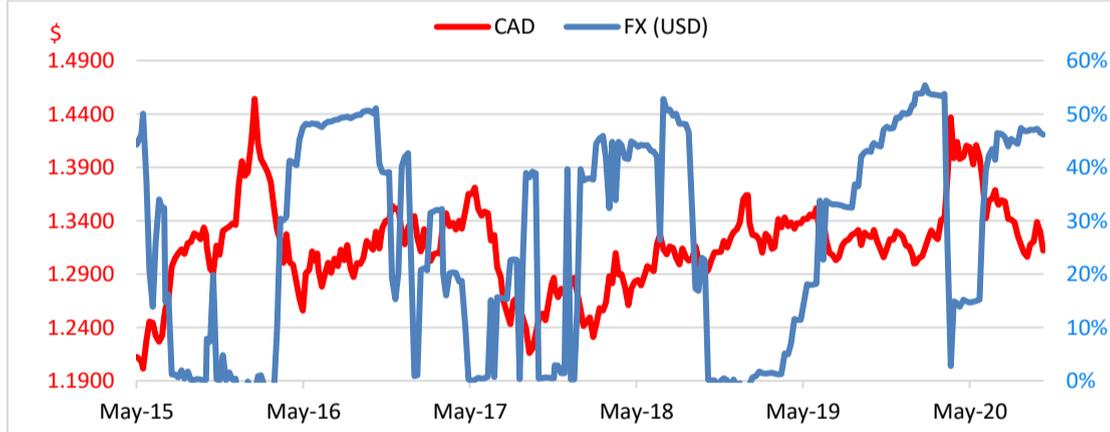


Net Beta (Core - Protection): 49.4%



As of: 04/14/22	04/14/22	04/08/22	Change
FX (USD)	10.6%	10.4%	0.2%
Beta ²	72.6%	73.7%	-1.1%
Protection	-23.2%	-25.1%	1.9%
Correlation	95.2%	96.1%	-0.9%
Yield ³	2.54%	2.52%	0.02%
ETF Holdings	24	24	0
Volatility ⁴	7.77%	7.71%	0.06%
CAD	Requesting	1.2572	#VALUE!

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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