



BMO Tactical Balanced ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Our PRO-EYES tactical risk monitor is showing another dip into the opportunity range and with the S&P 500 closing at the lowest level of the year, we have a deep oversold condition and a positive catalyst this week. The combination of clarity around FOMC policy and much, much better tax receipts at the Treasury suggests QT will not have much funding stress in the next few quarters. It will matter more once the economy turns down. The negative GDP print in Q1 was supply side issues and not in final consumption. The set-up for an oversold bounce in May is very high, so we have removed all volatility buffers and look for a bounce. We expect to reset the protection overlay in the coming weeks/months. The Fed is most likely going to make a policy mistake. We also added back to ZMT about 10% lower than we sold it last week. We look to add more duration with the long end of the US yield curve above 3.00%.

Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. Better than expected tax receipts should push the negative funding pressure from QT into 2023. Once QT starts, to have an impact, we would be more concerned that equity risk premiums will rise and multiples will contract. The risk of a policy mistake is significant. The Street narrative has turned very hawkish recognizing how far the FOMC is behind the curve. Most FOMC members have confirmed the more aggressive path of tightening. The most aggressive since the early 1980s. 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. The current FOMC update should clarify the policy path. The soft Q1 GDP likely walks back some of the hawkishness. We also could see peak inflation prints in May.

PRO-EYES - Berman's Call

Risk Level **High**

The core portfolio beta is 72.1%. The degree of delta protection is 0% while the value of beta protection is 0%.

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.

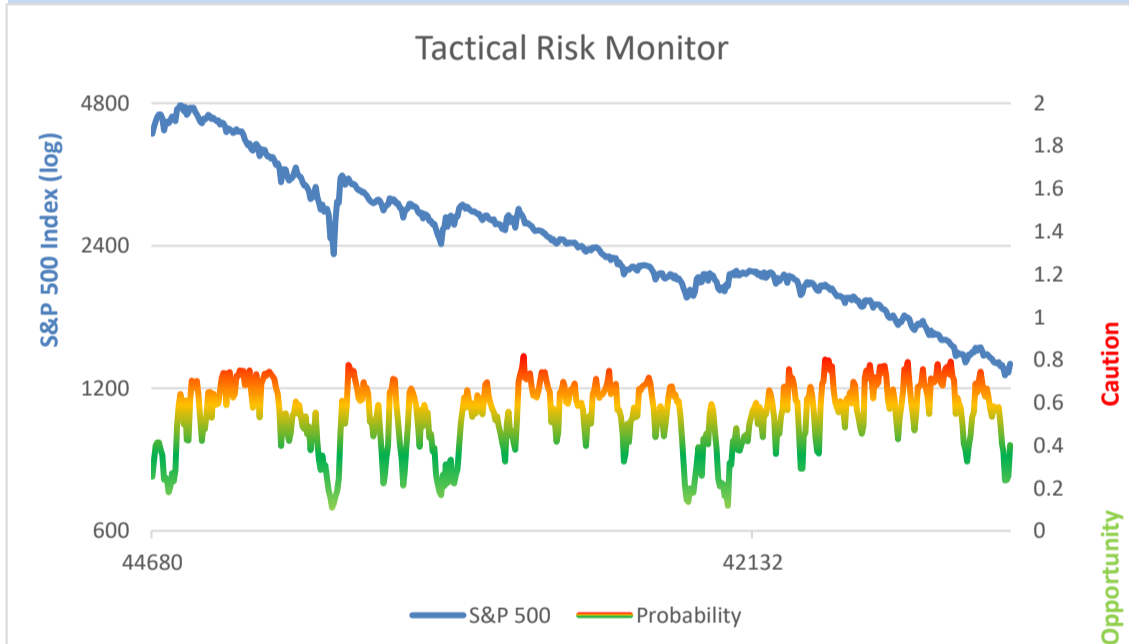
Performance Metrics (A-Series) as of (04/29/22)

Total Return	Net	Gross	Up/Downside ⁵	
YTD	-4.47%	-3.86%	Upside	15%
Prev. Month	-4.75%	-4.59%	Down	20%
Prev. Quarter	-1.22%	-0.74%	Mths Up	52
Prev. Year	-0.19%	1.73%	Mths Dn	33
Ann. SI (04/17/15)	2.10%	4.02%		
Sharpe Ratio	0.42			
Fund Codes:	No Load Retail: BMO70222			

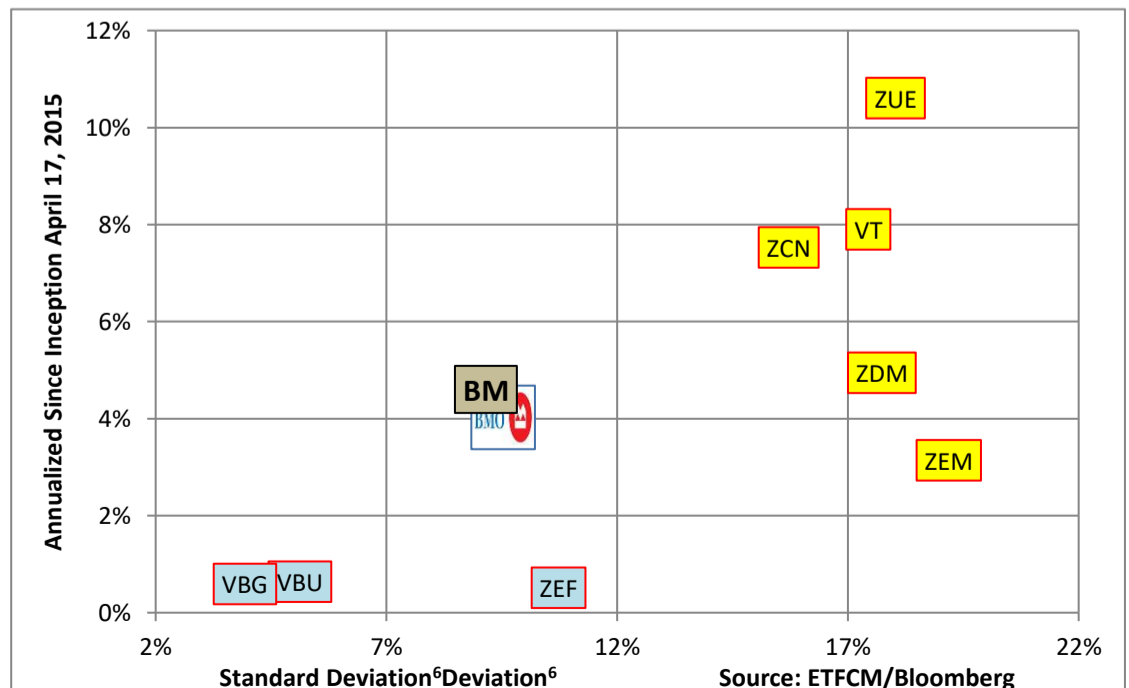
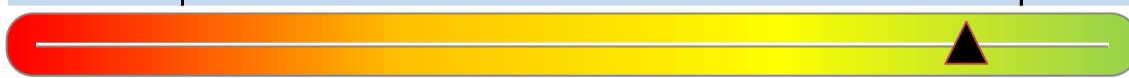
Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	27.1%
EMLC	VanEck J. P. Morgan EM Local Currency Bond ETF	12.6%
ZEM	BMO MSCI Emerging Markets Index ETF	10.6%
RSP	Invesco S&P 500 Equal Weight ETF	9.9%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	8.1%
TLT	iShares 20+ Year Treasury Bond ETF	6.2%
VGK	Vanguard FTSE Europe ETF	4.8%
KWEB	KraneShares CSI China Internet ETF	2.4%
GDV	VanEck Gold Miners ETF/USA	2.1%
URA	Global X Uranium ETF	2.0%
PAVE	Global X US Infrastructure Development ETF	1.5%
MJ	ETFMG Alternative Harvest ETF	1.5%
ZCLN	BMO Clean Energy Index ETF	1.4%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	1.2%
ZUS/U	BMO Ultra Short-Term US Bond ETF	1.2%
ZPR	BMO Laddered Preferred Share Index ETF	1.0%
FLIN	Franklin FTSE India ETF	0.9%
FLGB	Franklin FTSE United Kingdom ETF	0.9%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	0.6%
FLBR	Franklin FTSE Brazil ETF	0.6%

Chart of the Week

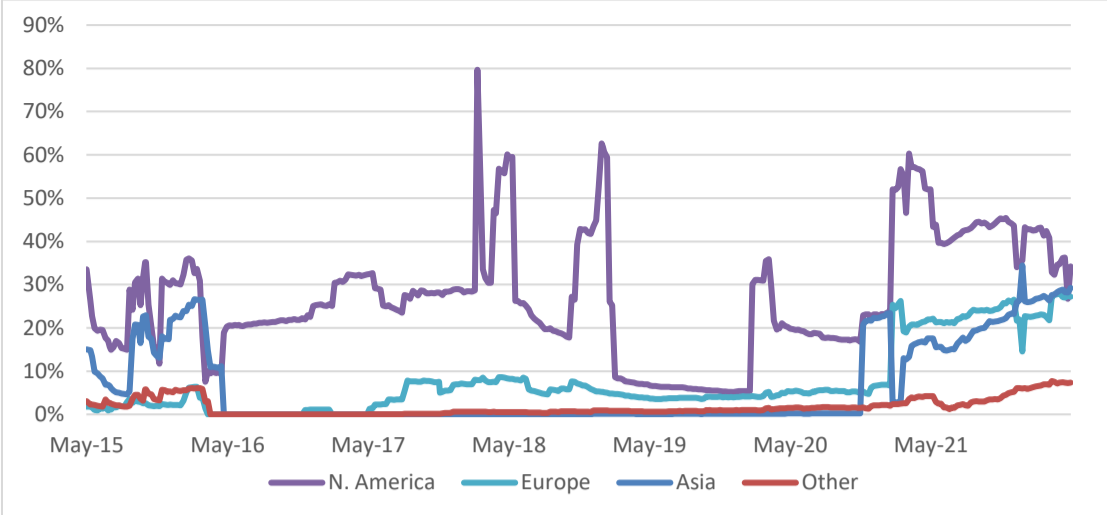


Defense | Core Portfolio Beta: 72.1% | Offense



Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
04/29/22	34.2%	27.2%	29.3%	7.3%
04/22/22	26.7%	27.4%	28.1%	7.3%
Change	7.5%	-0.2%	1.1%	0.1%



Bonds	Corp.	Govt.	Pref.	Cash
04/29/22	1.6%	18.3%	1.6%	1.4%
04/22/22	1.6%	19.8%	1.5%	0.5%
Change	0.0%	-1.5%	0.0%	0.8%

Bonds	Duration
04/29/22	8.21
04/22/22	9.23
Change	-1.02

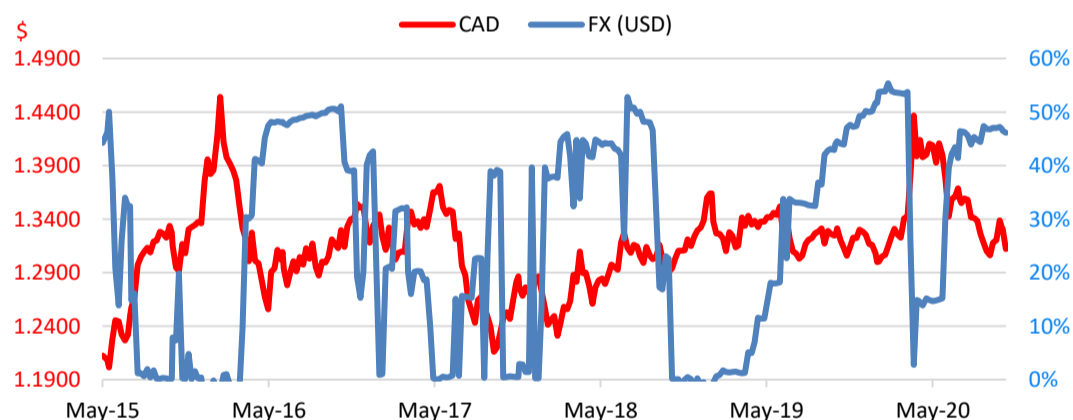
Sector	04/29/22	04/22/22	Change	BM
Basic Materials	8.6%	7.7%	0.9%	2.8%
Communications	7.0%	6.6%	0.4%	7.7%
Consumer, Cyclical	8.0%	8.0%	0.1%	7.0%
Consumer, Non-cyclical	15.9%	15.8%	0.1%	12.5%
Energy	4.6%	4.4%	0.2%	3.1%
Financial	14.6%	14.5%	0.0%	16.9%
Government	19.5%	20.9%	-1.5%	25.4%
Industrial	9.0%	8.8%	0.2%	6.7%
Technology	7.6%	7.5%	0.1%	11.1%
Utilities	3.3%	3.4%	-0.1%	2.4%

Net Beta (Core - Protection): 72.1%



As of: 04/29/22	04/29/22	04/22/22	Change
FX (USD)	5.3%	7.3%	-2.0%
Beta ²	72.1%	72.4%	-0.3%
Protection	0.0%	-22.1%	22.1%
Correlation	100.9%	98.4%	2.5%
Yield ³	2.70%	2.63%	0.07%
ETF Holdings	24	24	0
Volatility ⁴	9.53%	8.79%	0.75%
CAD	1.2848	1.2710	1.1%

Tactical FX Exposure (USD)



This commentary is intended for information purposes only. This update has been prepared by ETF Capital Management, the portfolio manager of BMO Tactical Balanced ETF Fund and represents their assessment at the time of publication. The views are subject to change without notice as markets change over time. The information contained herein is not, and should not be construed as, investment advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. Any statement that necessarily depends on future events may be a forward-looking statement. This material may contain forward-looking statements. "Forward-looking statements," can be identified by the use of forward-looking terminology such as "may", "should", "expect", "anticipate", "outlook", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof, or variations thereon, or other comparable terminology. Investors are cautioned not to place undue reliance on such statements, as actual results could differ materially due to various risks and uncertainties.

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.

ETF Capital Management is a registered trade name of Quintessence Wealth, a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer registered with the Canadian Securities Administrators. Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus. BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal. ®/™Registered trade-marks/trade-mark of Bank of Montreal, used under licence.

Advisor/Broker Use Only