



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

Last week we saw strong evidence of a capitulation reversal. It's not likely the bear market bottom, but we should stabilize with peak inflation likely hitting US CPI/PPI this month. Treasury funding looks stable too for the next few quarters. We added 3 positions last week. Two new (CLOU, ZQQ) to benefit from the extreme oversold in technology (see chart of the week), and (ZMT) too add back exposure we sold close to 20% higher a few weeks back in base metals. We sold ZUE. We have added a slight growth tilt given the potential for peak inflation.

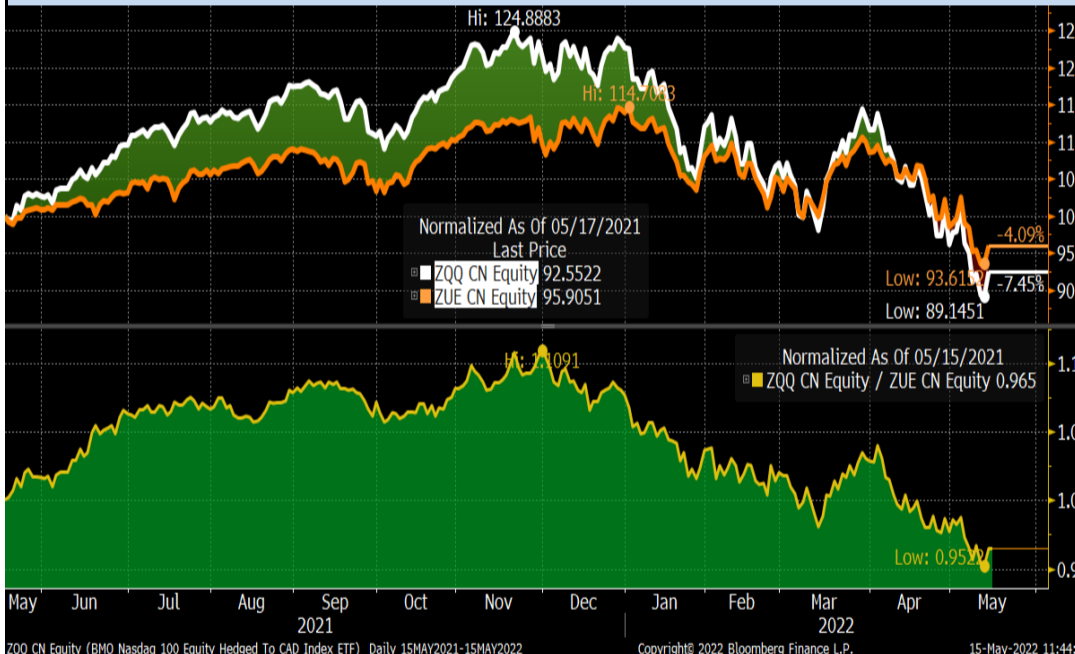
Macro Market Strategy

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 likely saw peak inflation prints in May.

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	24.6%
ZEA	BMO MSCI EAFE Index ETF	19.9%
ZEM	BMO MSCI Emerging Markets Index ETF	7.5%
FLGB	Franklin FTSE United Kingdom ETF	5.9%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	5.1%
KWEB	KraneShares CSI China Internet ETF	3.8%
GDX	VanEck Gold Miners ETF/USA	3.6%
FLJH	Franklin FTSE Japan Hedged ETF	3.5%
URA	Global X Uranium ETF	2.8%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.5%
MJ	ETFMG Alternative Harvest ETF	2.3%
PAVE	Global X US Infrastructure Development ETF	2.3%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	2.1%
ZCLN	BMO Clean Energy Index ETF	2.1%
FLIN	Franklin FTSE India ETF	2.0%
VNM	VanEck Vietnam ETF	1.8%
FLBR	Franklin FTSE Brazil ETF	1.5%
XBI	SPDR S&P Biotech ETF	1.1%
CLOU	Global X Cloud Computing ETF	1.0%
CIBR	First Trust NASDAQ Cybersecurity ETF	1.0%

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Medium**

The core portfolio beta is 92.9%. The degree of delta protection is 0% while the value of beta protection is 0%.

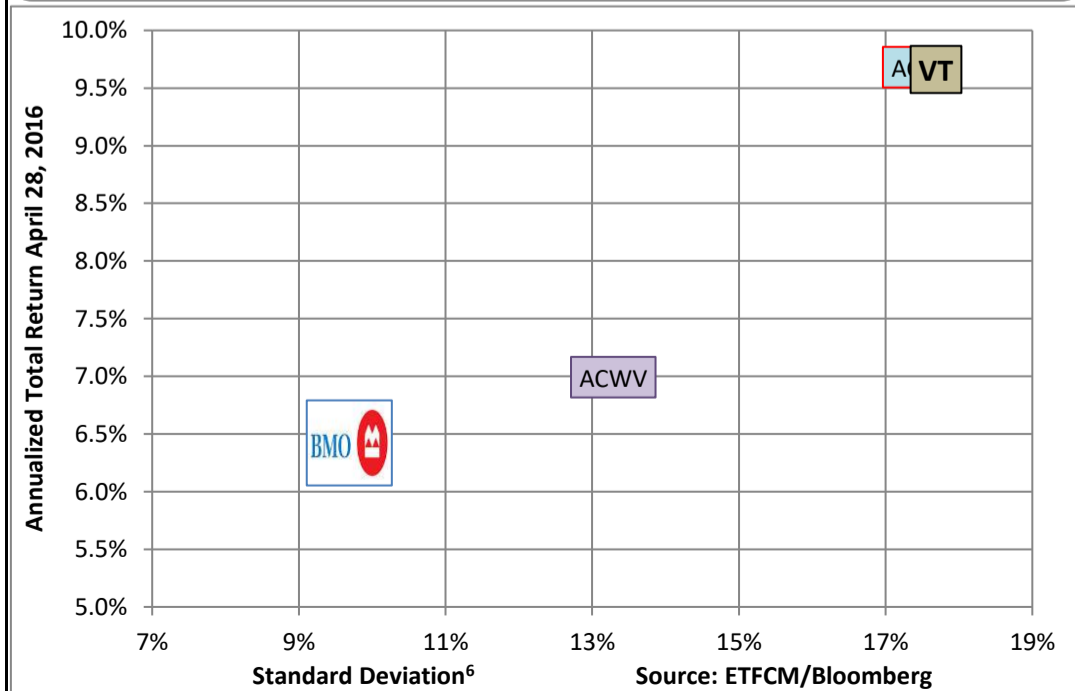
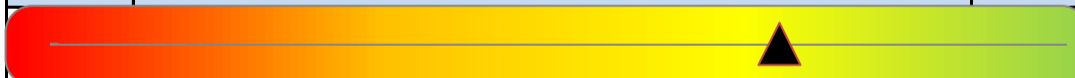
The tactical PRO-EYES factor has moved off the most oversold since the extremes of COVID, but the big picture suggests end of cycle risks which means rallies should be sold and the market can offer good two-way trade opportunities. Increase the tactical focus and bring out the end of cycle playbook until 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 (05/13/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-5.84%	-5.16%	Upside	20%
Prev. Qtr.	-5.45%	-4.98%	Downside	32%
Prev. Year	-1.87%	0.05%	Months Up	51
Since Inception	30.62%	41.70%	Months Dn	20
Ann. SI (04/28/16)	4.50%	6.42%		
Sharpe Ratio		0.66		

Fund Codes: No Load Retail: BMO70762

Defense Core Portfolio Beta: 92.9% Offense



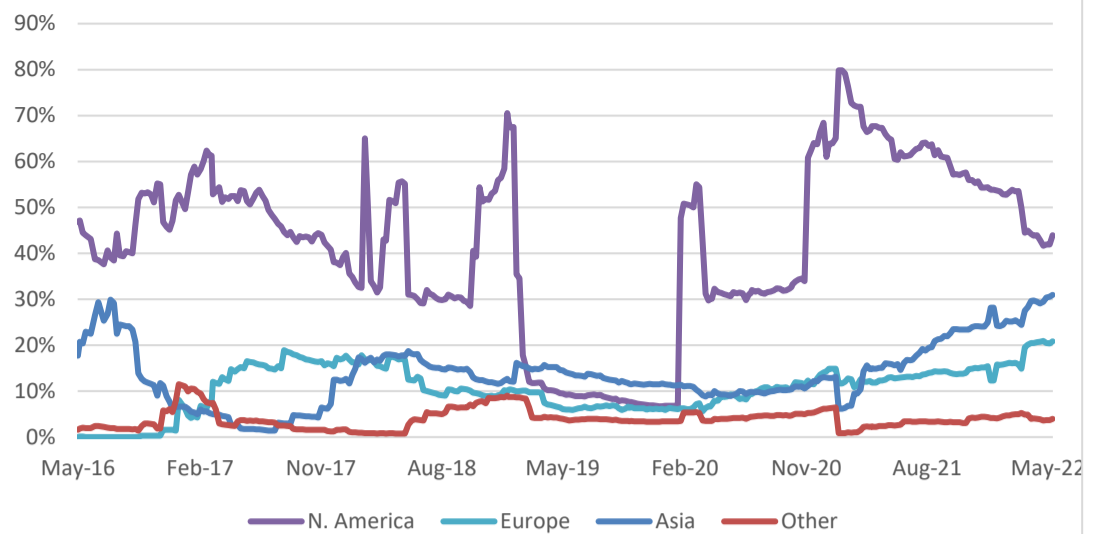
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Tactical Asset Allocation

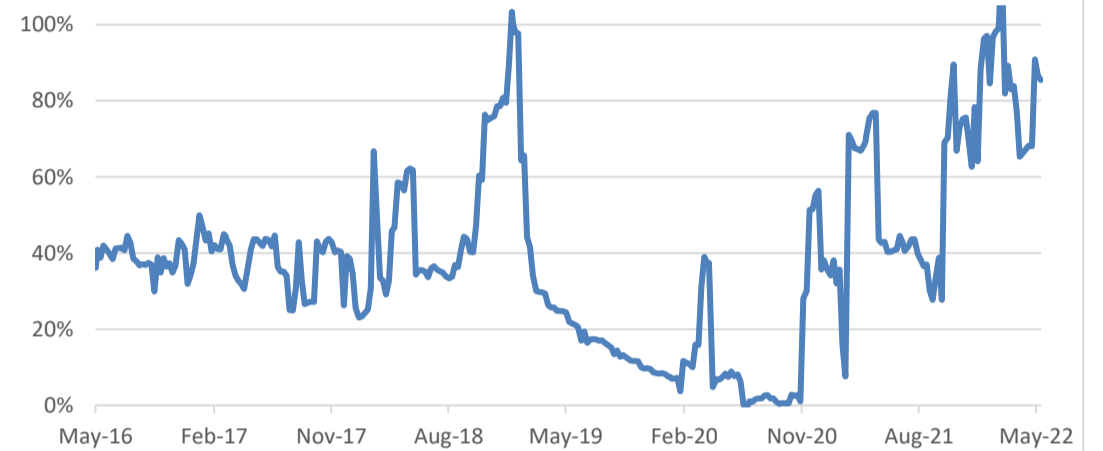
Equity	N. America	Europe	Asia	Other
05/13/22	43.9%	20.9%	30.9%	4.0%
05/06/22	42.0%	20.3%	30.6%	3.7%
Change	2.0%	0.5%	0.4%	0.3%

Sector	05/13/22	05/06/22	Change	BM
Basic Materials	12.33%	10.93%	1.4%	4.4%
Communications	11.16%	10.11%	1.1%	11.7%
Consumer, Cyclical	9.32%	9.40%	-0.1%	10.8%
Consumer, Non-cyclical	19.51%	19.77%	-0.3%	19.0%
Energy	5.54%	5.78%	-0.2%	4.2%
Financial	14.75%	15.53%	-0.8%	19.0%
Government	0.03%	0.03%	0.0%	19.0%
Industrial	10.15%	10.21%	-0.1%	10.2%
Technology	13.46%	11.38%	2.1%	17.9%
Utilities	3.34%	3.32%	0.0%	2.7%

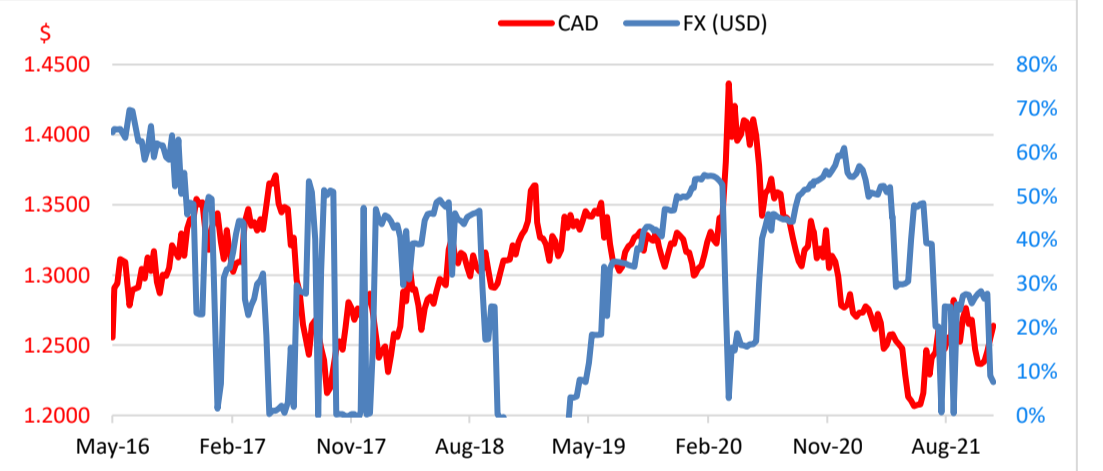
As of: May 13 2022	05/13/22	05/06/22	Change
FX (USD)	5.8%	8.4%	-2.7%
Beta ²	92.9%	86.6%	6.2%
Protection (Delta)	0.0%	0.0%	0.0%
Correlation	76.6%	73.6%	2.9%
Yield ³	2.61%	2.58%	0.03%
ETF Holdings	24	21	3
Volatility ⁴	9.69%	9.23%	0.46%
CAD	1.2929	1.2875	0.4%



Net Beta (Core - Protection): 92.9%



Tactical FX Exposure (USD)



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