



# BMO Tactical Global Growth ETF Fund

### Core Tactical/Strategic Portfolio Outlook/Adjustments

Strong evidence is building that we are close to a tradable bottom, but once again markets in the US made lower lows. We did not see this in EAFE or EM benchmarks, which is often another hallmark of a bottom process. The stocks that broke supports last week are the quality big tech names and the safety money in staples. We are far from "the" low point of this recessionary cycle, but we should stabilize and recover in the coming months with peak inflation expectations developing. Bullard actually talked about easing in 2023/24. These FOMC guys are plain NUTS!

### 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, though it is getting priced in in recent weeks. The current FOMC update should clarify the policy path. FOMC's Bullard talked about easing in 2023/24, which is NUTS given how far they are behind the curve.

### PRO-EYES - Berman's Call

**Risk Level** Medium

The core portfolio beta is 93.0%. 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 (05/20/22)

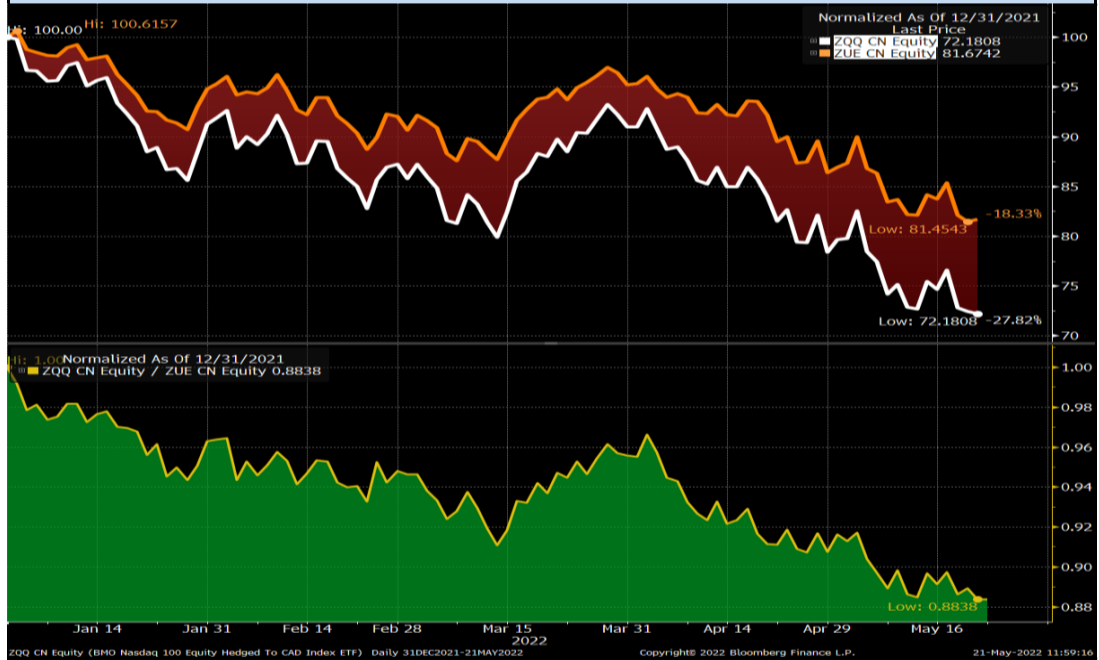
Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	-5.88%	-5.17%	Upside	20%
<b>Prev. Qtr.</b>	-5.30%	-4.83%	Downside	32%
<b>Prev. Year</b>	-3.43%	-1.51%	Months Up	51
<b>Since Inception</b>	30.57%	41.68%	Months Dn	20
<b>Ann. SI (04/28/16)</b>	4.48%	6.40%		
<b>Sharpe Ratio</b>		0.65		

**Fund Codes:** No Load Retail: BMO70762

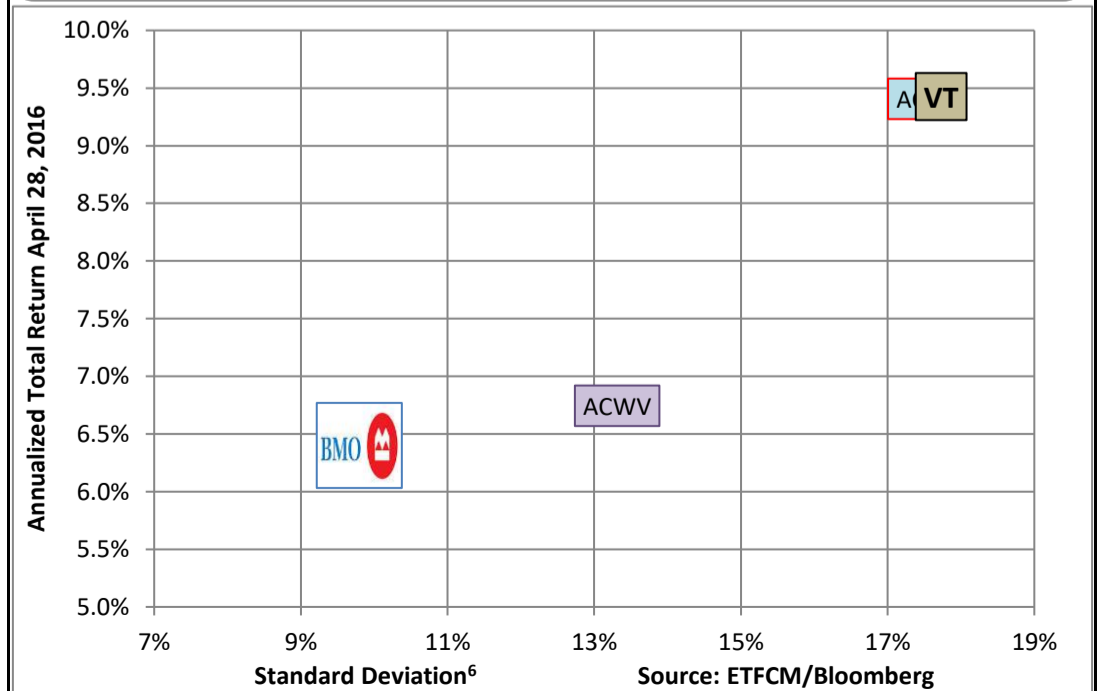
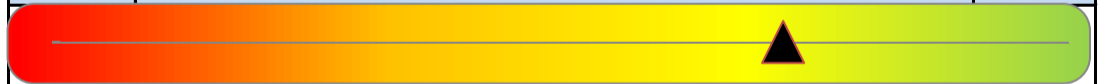
### Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	20.0%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	18.9%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	9.9%
ZEM	BMO MSCI Emerging Markets Index ETF	7.5%
FLGB	Franklin FTSE United Kingdom ETF	6.0%
KWEB	KraneShares CSI China Internet ETF	3.8%
GDX	VanEck Gold Miners ETF/USA	3.7%
FLJH	Franklin FTSE Japan Hedged ETF	3.5%
URA	Global X Uranium ETF	2.9%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.6%
MJ	ETFMG Alternative Harvest ETF	2.3%
ZCLN	BMO Clean Energy Index ETF	2.3%
PAVE	Global X US Infrastructure Development ETF	2.2%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.2%
FLIN	Franklin FTSE India ETF	2.0%
VNM	VanEck Vietnam ETF	1.8%
FLBR	Franklin FTSE Brazil ETF	1.6%
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



**Defense** Core Portfolio Beta: 93.0% **Offense**



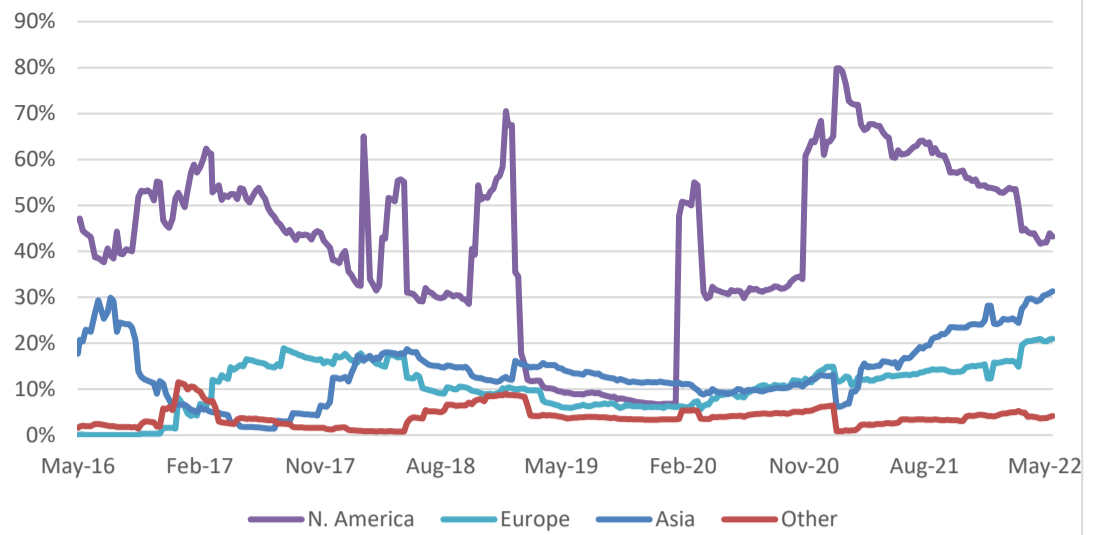
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## Tactical Asset Allocation

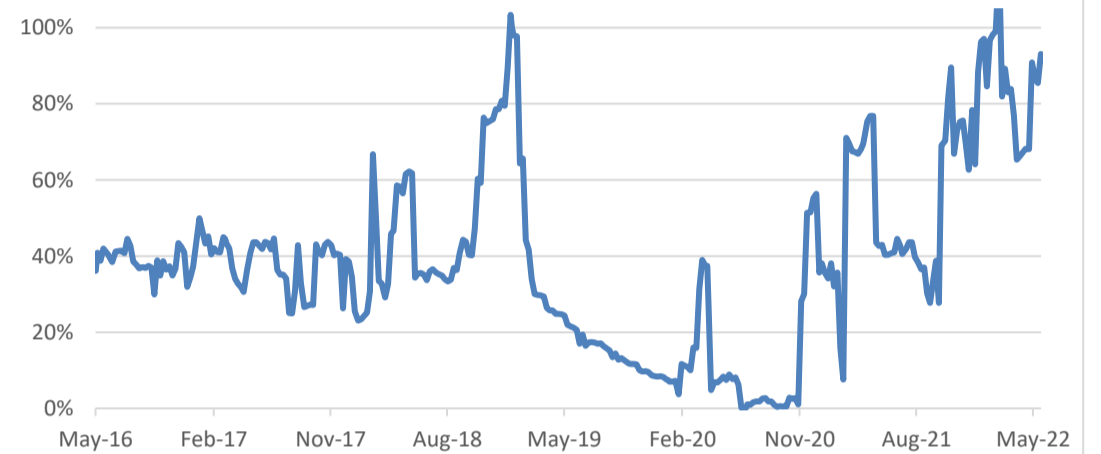
Equity	N. America	Europe	Asia	Other
05/20/22	43.2%	20.9%	31.3%	4.1%
05/13/22	43.9%	20.9%	30.9%	4.0%
Change	-0.7%	0.1%	0.4%	0.2%

Sector	05/20/22	05/13/22	Change	BM
Basic Materials	12.57%	12.33%	0.2%	4.8%
Communications	11.72%	11.16%	0.6%	10.5%
Consumer, Cyclical	9.19%	9.32%	-0.1%	10.5%
Consumer, Non-cyclical	18.82%	19.51%	-0.7%	20.2%
Energy	5.52%	5.54%	0.0%	4.9%
Financial	14.05%	14.75%	-0.7%	18.9%
Government	0.04%	0.03%	0.0%	18.9%
Industrial	9.79%	10.15%	-0.4%	10.1%
Technology	14.43%	13.46%	1.0%	17.0%
Utilities	3.34%	3.34%	0.0%	3.0%

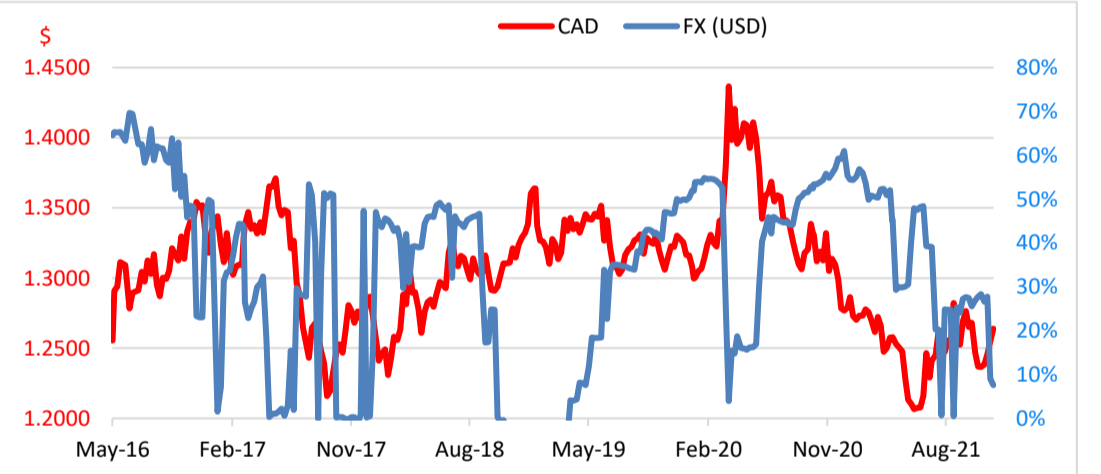
As of: May 20 2022	05/20/22	05/13/22	Change
FX (USD)	6.3%	5.4%	0.9%
Beta <sup>2</sup>	93.0%	85.4%	7.6%
Protection (Delta)	0.0%	0.0%	0.0%
Correlation	75.1%	71.7%	3.4%
Yield <sup>3</sup>	2.54%	2.57%	-0.03%
ETF Holdings	24	24	0
Volatility <sup>4</sup>	9.80%	9.69%	0.11%
CAD	1.2840	1.2929	-0.7%



**Net Beta (Core - Protection): 93.0%**



**Tactical FX Exposure (USD)**



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