



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

The very oversold nature of the market combined with the high volatility readings, suggest a short covering rally is likely. We are set up for a bounce, but will be looking to shift back to a defensive bias in the coming weeks. When volatility is high, there is significant tactical alpha opportunity. This week, we took profits on the equal weight S&P 500 (RSP) and rolled back into ZUE, which effectively adds large cap tech exposure and lowers the value tilt. This is only for a tactical trade. Our chart of the week shows RSP/SPX is back to pre-COVID levels implying that large cap tech is likely close to a relative normal versus the COVID stay at home tech surge. We look to go back to this trade at some point given tech is still somewhat overvalued.

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	30.7%
ZEA	BMO MSCI EAFE Index ETF	19.5%
ZEM	BMO MSCI Emerging Markets Index ETF	7.5%
FLGB	Franklin FTSE United Kingdom ETF	5.8%
KWEB	KraneShares CSI China Internet ETF	3.9%
FLJH	Franklin FTSE Japan Hedged ETF	3.4%
URA	Global X Uranium ETF	3.1%
GDX	VanEck Gold Miners ETF/USA	2.9%
MJ	ETFMG Alternative Harvest ETF	2.4%
PAVE	Global X US Infrastructure Development ETF	2.3%
ZCLN	BMO Clean Energy Index ETF	2.2%
KBA	KraneShares Boserer MSCI China A 50 Connect Index ETF	2.1%
FLIN	Franklin FTSE India ETF	2.1%
VNM	VanEck Vietnam ETF	1.9%
FLBR	Franklin FTSE Brazil ETF	1.5%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	1.2%
XBI	SPDR S&P Biotech ETF	1.1%
EIDO	iShares MSCI Indonesia ETF	1.0%
FLKR	Franklin FTSE South Korea ETF	0.9%
FLMX	Franklin FTSE Mexico ETF	0.7%

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.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Medium**

The core portfolio beta is 86.6%. 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 (05/06/22)

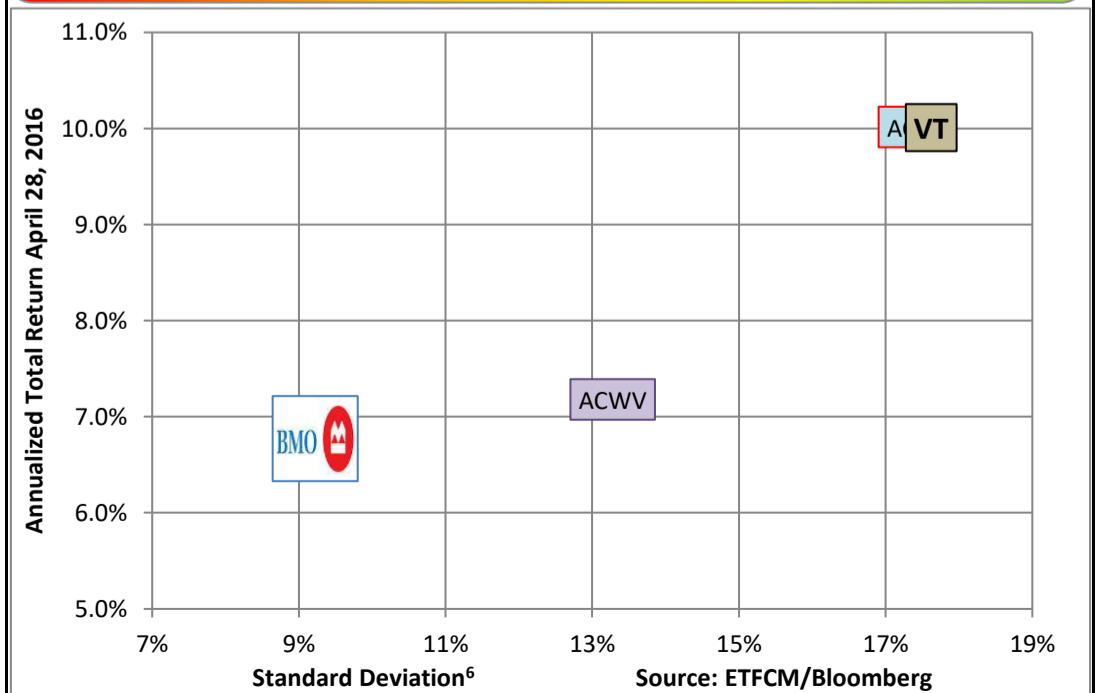
Total Return	Net	Gross	Upside/Downside	
YTD	-4.01%	-3.37%	Upside	20%
Prev. Qtr.	-2.01%	-1.53%	Downside	32%
Prev. Year	-1.27%	0.65%	Months Up	51
Since Inception	33.16%	44.20%	Months Dn	20
Ann. SI (04/28/16)	4.85%	6.77%		
Sharpe Ratio		0.73		

Fund Codes: No Load Retail: BMO70762

Defense

Core Portfolio Beta: 86.6%

Offense



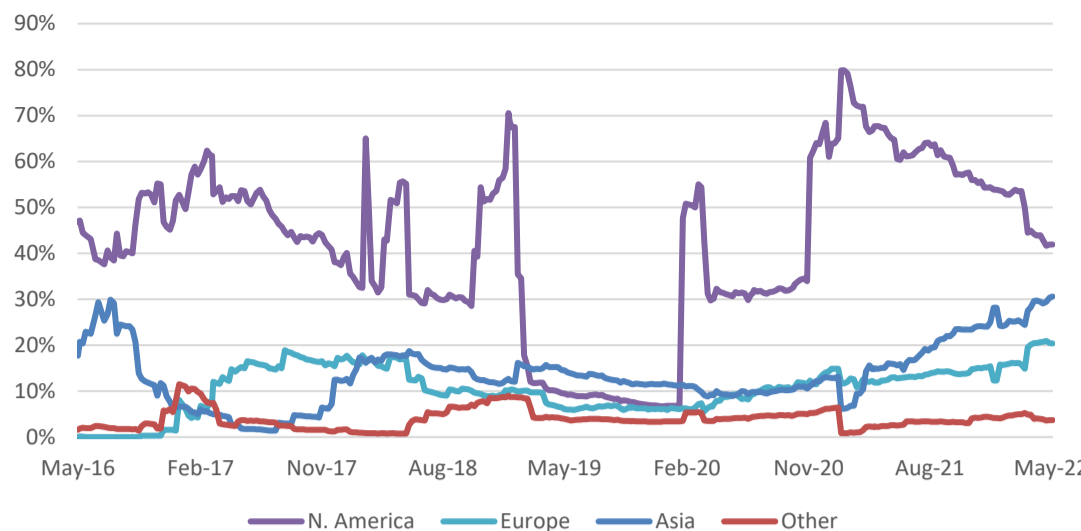
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Tactical Asset Allocation

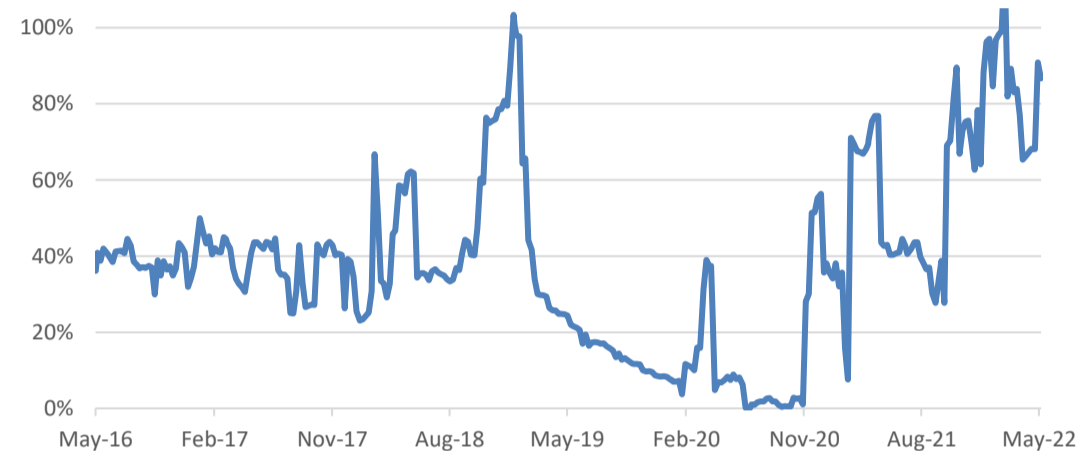
Equity	N. America	Europe	Asia	Other
05/06/22	42.0%	20.3%	30.6%	3.7%
04/29/22	41.9%	20.5%	30.4%	3.7%
Change	0.1%	-0.1%	0.2%	0.0%

Sector	05/06/22	04/29/22	Change	BM
Basic Materials	10.93%	11.17%	-0.2%	4.4%
Communications	10.11%	8.93%	1.2%	11.7%
Consumer, Cyclical	9.40%	10.12%	-0.7%	10.8%
Consumer, Non-cyclical	19.77%	20.17%	-0.4%	19.0%
Energy	5.78%	5.55%	0.2%	4.2%
Financial	15.53%	16.24%	-0.7%	19.0%
Government	0.03%	0.03%	0.0%	19.0%
Industrial	10.21%	11.09%	-0.9%	10.2%
Technology	11.38%	9.06%	2.3%	17.9%
Utilities	3.32%	3.95%	-0.6%	2.7%

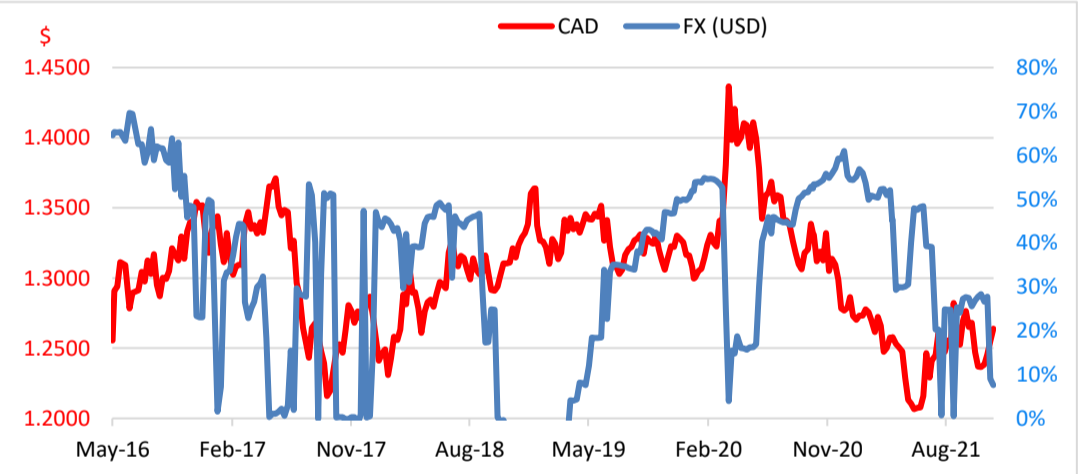
As of: May 6 2022	05/06/22	04/29/22	Change
FX (USD)	8.4%	7.8%	0.6%
Beta ²	86.6%	90.9%	-4.3%
Protection (Delta)	0.0%	0.0%	0.0%
Correlation	73.6%	73.5%	0.1%
Yield ³	2.58%	2.52%	0.07%
ETF Holdings	21	22	-1
Volatility ⁴	9.23%	9.07%	0.16%
CAD	1.2848	1.2848	0.0%



Net Beta (Core - Protection): 86.6%



Tactical FX Exposure (USD)



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