



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

It's clear we are in the mid innings of a bear market. Druckenmiller (and others) forecasted at Sohn a similar view. So we can expect volatility to remain high, rallies to surprise and grind the bears while dip buyers will pay a toll too. Not that Druck is going to be correct, because like the best are, only get it right about two-thirds of the time. But the evidence of a hard landing are significant. The markets are still not priced for it from an earnings perspective. For growth investors, the good news is valuations have improved dramatically and we continue to nibble into the areas we like thematically. Clean energy, cybersecurity, uranium, biotech and cloud are amongst our favourite. We look to add protection to the portfolio after a typical summer rally, which is still a high probability given the oversold nature of the market. If the May lows hold, the counter-trend rally potential increases. What the Fed says this week will be key.

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 FOMC hawkish walk back by Bullard putting rate cuts on the table for 2023/24 now reflects the shape of the money market curves. The Fed put is still there, but sticky inflation will be the challenge. For the next few months, the mathematics of rates-of-change should pacify inflation fears. Longer-term inflation expectations (seen in the chart of the week 5-year, 5-year breakeven swap) are elevated, but anchored.

PRO-EYES - Berman's Call

Risk Level Medium

The core portfolio beta is 92.6%. The degree of delta protection is 0% while the value of beta protection is 0%.

The tactical PRO-EYES factor suggests more dip buying opportunity exists than not. However, the trend of liquidity in business conditions is likely to get worse before it improves. The fact the FOMC has now talked about 2023/24 rate cuts, markets should stabilize. Valuation metrics have yet to reflect a recession and that is the overriding risk. This likely means there will be more two-way opportunities in assets until the inflation cycle is under control. We expect it will be stickier than the market believes and the FOMC will have difficulty with a soft landing scenario.

Performance Metrics (A-Series) as of (06/10/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-6.03%	-5.22%	Upside	20%
Prev. Qtr.	-3.47%	-3.00%	Downside	32%
Prev. Year	-5.36%	-3.44%	Months Up	52
Since Inception	30.36%	41.57%	Months Dn	20
Ann. SI (04/28/16)	4.41%	6.33%		
Sharpe Ratio		0.63		

Fund Codes: No Load Retail: BMO70762

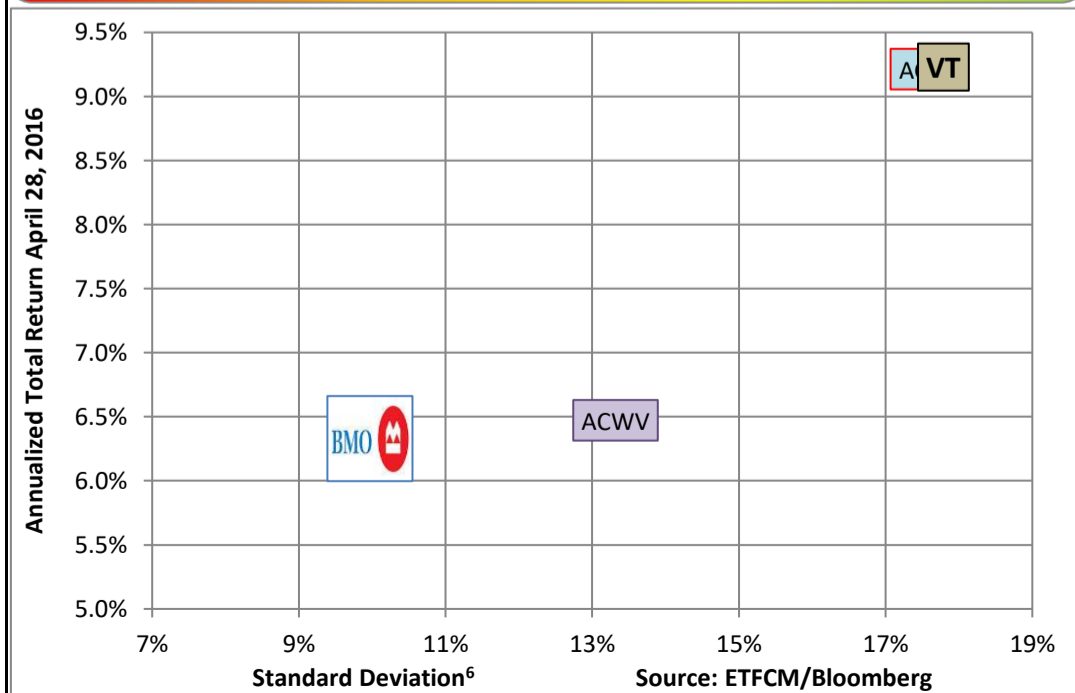
Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	19.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	19.1%
ZQQ	BMO Nasdaq 100 Equity Hedged To CAD Index ETF	9.9%
ZEM	BMO MSCI Emerging Markets Index ETF	7.6%
FLGB	Franklin FTSE United Kingdom ETF	5.6%
KWEB	KraneShares CSI China Internet ETF	4.5%
GDX	VanEck Gold Miners ETF/USA	3.8%
FLJH	Franklin FTSE Japan Hedged ETF	3.6%
URA	Global X Uranium ETF	3.0%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.6%
ZCLN	BMO Clean Energy Index ETF	2.4%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.3%
PAVE	Global X US Infrastructure Development ETF	2.3%
FLIN	Franklin FTSE India ETF	2.0%
MJ	ETFMG Alternative Harvest ETF	1.9%
VNM	VanEck Vietnam ETF	1.9%
FLBR	Franklin FTSE Brazil ETF	1.5%
XBI	SPDR S&P Biotech ETF	1.0%
CLOU	Global X Cloud Computing ETF	1.0%
CIBR	First Trust NASDAQ Cybersecurity ETF	1.0%

Chart of the Week



Defense | **Core Portfolio Beta: 92.6%** | **Offense**



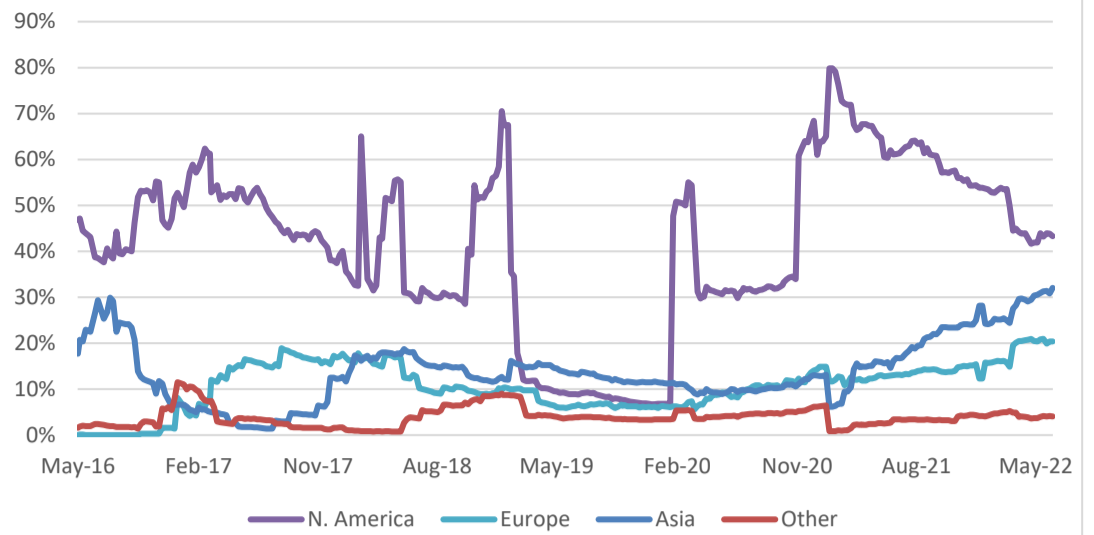
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Tactical Asset Allocation

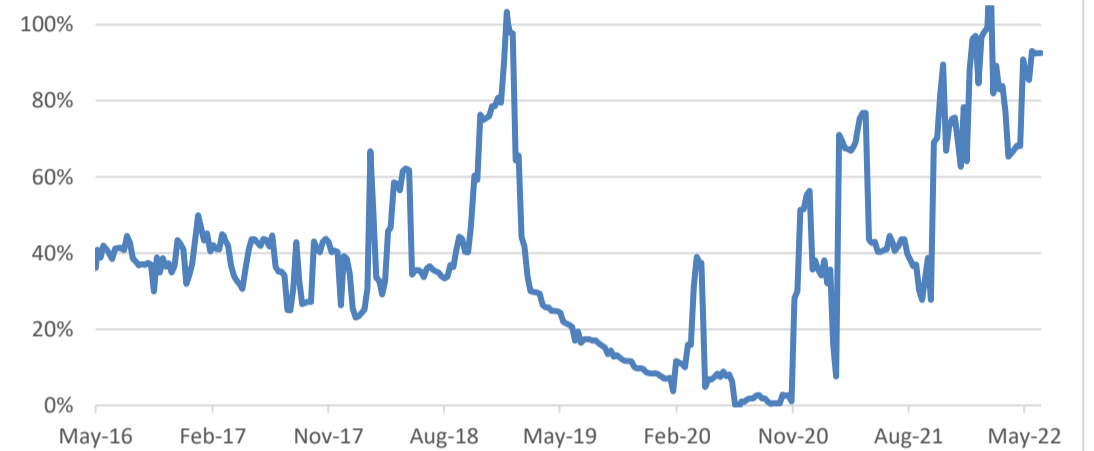
Equity	N. America	Europe	Asia	Other
06/10/22	43.3%	20.4%	32.0%	4.1%
06/03/22	43.9%	20.4%	30.8%	4.1%
Change	-0.5%	-0.1%	1.2%	-0.1%

Sector	06/10/22	06/03/22	Change	BM
Basic Materials	12.82%	12.54%	0.3%	4.8%
Communications	12.29%	11.77%	0.5%	10.5%
Consumer, Cyclical	9.25%	9.00%	0.3%	10.5%
Consumer, Non-cyclical	17.91%	18.54%	-0.6%	20.2%
Energy	5.68%	5.54%	0.1%	4.9%
Financial	13.94%	13.91%	0.0%	18.9%
Government	0.03%	0.03%	0.0%	18.9%
Industrial	9.86%	9.70%	0.2%	10.1%
Technology	14.67%	14.70%	0.0%	17.0%
Utilities	3.21%	3.36%	-0.2%	3.0%

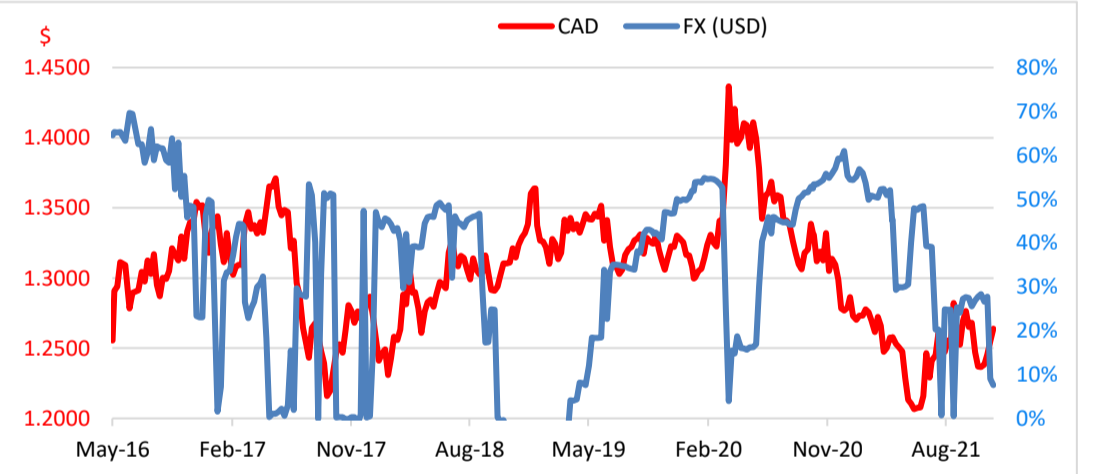
As of: Jun 10 2022	06/10/22	06/03/22	Change
FX (USD)	6.7%	7.2%	-0.5%
Beta ²	92.6%	92.6%	0.0%
Protection (Delta)	0.0%	0.0%	0.0%
Correlation	74.4%	74.2%	0.2%
Yield ³	2.55%	2.44%	0.11%
ETF Holdings	24	24	0
Volatility ⁴	9.97%	9.52%	0.45%
CAD	1.2776	1.2594	1.4%



Net Beta (Core - Protection): 92.6%



Tactical FX Exposure (USD)



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