



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We expect a minimum retest of the Summer lows for most markets and likely an undercut for growth stocks, with value stocks performing relatively better. Last week we tilted the S&P 500 exposure back to equal weight adding RSP (selling ZUE), which reduces the growth exposure. The volatility buffer did a great job last week, as the portfolio saw net gains in a very bad week for global equities.

Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. QT should start to weigh on risk premiums going forward, but there is massive cash balances sitting in the RRP to offset a significant impact. We think the skinny Bills Congress passed will add slightly to funding pressure. The FOMC's more aggressive path has caught them up to the curve and the terminal rate is now expected in December. Powell could not have been more HAWKISH at Jackson Hole. The speech will go down in the history books. Not Volcker like, but a more modern day version. The higher for longer speech is most certainly going to cause some pain on Main Street. Forward EPS needs to come down for the next few quarters. This will cap most rally attempts with the FOMC unable to pivot until inflation is under 3% and holding. This could easily take 2 years or more.

PRO-EYEs Indicators

Risk Level Medium

The core portfolio beta is 90.6%. The degree of delta protection is -33% while the value of beta protection is 46%.

The tactical PRO-EYEs factor suggests that after the recent rally, the buy dips bias is gone for now, as the tactical risk-return is more balanced. To offset, liquidity and business cycle conditions are more stressed. This should lead to two-way opportunities in the coming months. The decay in forward earnings needs to be on the front burner. The lagged impact of monetary policy has yet to hit the outlook in a material way.

Performance Metrics (A-Series) as of (08/26/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-5.09%	-3.89%	Upside	20%
Prev. Qtr.	-2.91%	-2.44%	Downside	40%
Prev. Year	-3.30%	-1.38%	Months Up	53
Since Inception	31.66%	43.27%	Months Dn	21
Ann. SI (04/28/16)	4.42%	6.34%		
Sharpe Ratio		0.62		

Fund Codes: No Load Retail: BMO70762

Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	20.7%
RSP	Invesco S&P 500 Equal Weight ETF	19.2%
ZEM	BMO MSCI Emerging Markets Index ETF	10.4%
GDX	VanEck Gold Miners ETF/USA	5.0%
KWEB	KraneShares CSI China Internet ETF	4.3%
FLGB	Franklin FTSE United Kingdom ETF	3.8%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	3.3%
FLJH	Franklin FTSE Japan Hedged ETF	3.1%
URA	Global X Uranium ETF	3.0%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	3.0%
ZCLN	BMO Clean Energy Index ETF	2.7%
MJ	ETFMG Alternative Harvest ETF	2.7%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.7%
XLP	Consumer Staples Select Sector SPDR Fund	2.6%
FLIN	Franklin FTSE India ETF	2.1%
VNM	VanEck Vietnam ETF	1.8%
FINX	Global X FinTech ETF	1.6%
FLBR	Franklin FTSE Brazil ETF	1.5%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.5%
PAVE	Global X US Infrastructure Development ETF	1.1%

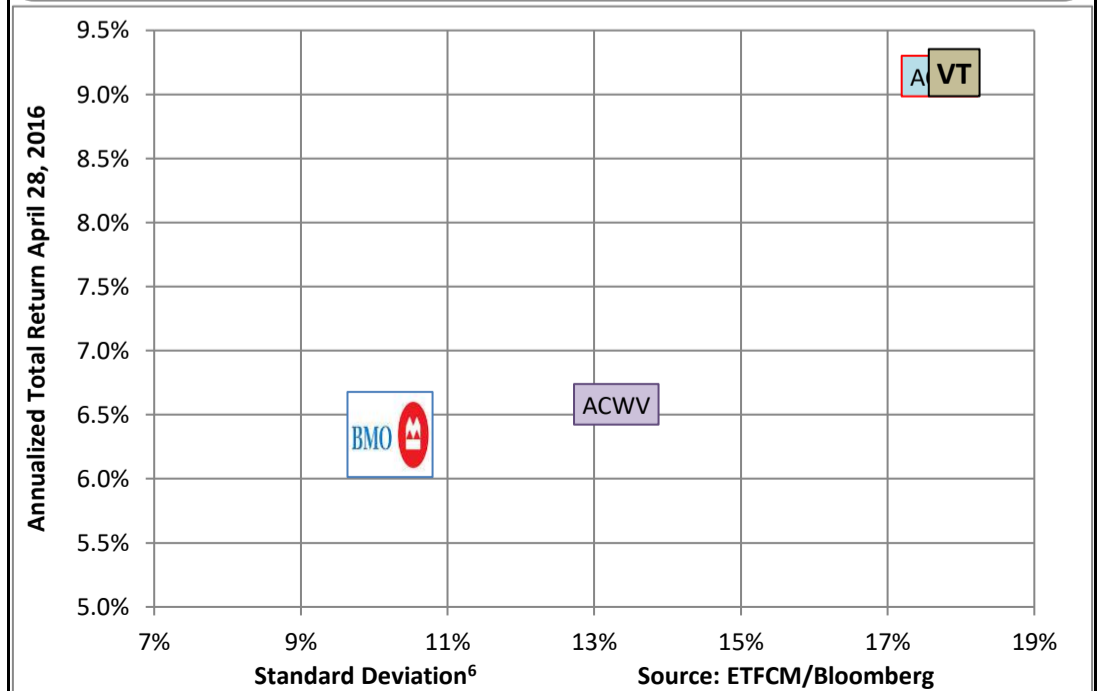
Chart of the Week



Defense

Core Portfolio Beta: 90.6%

Offense

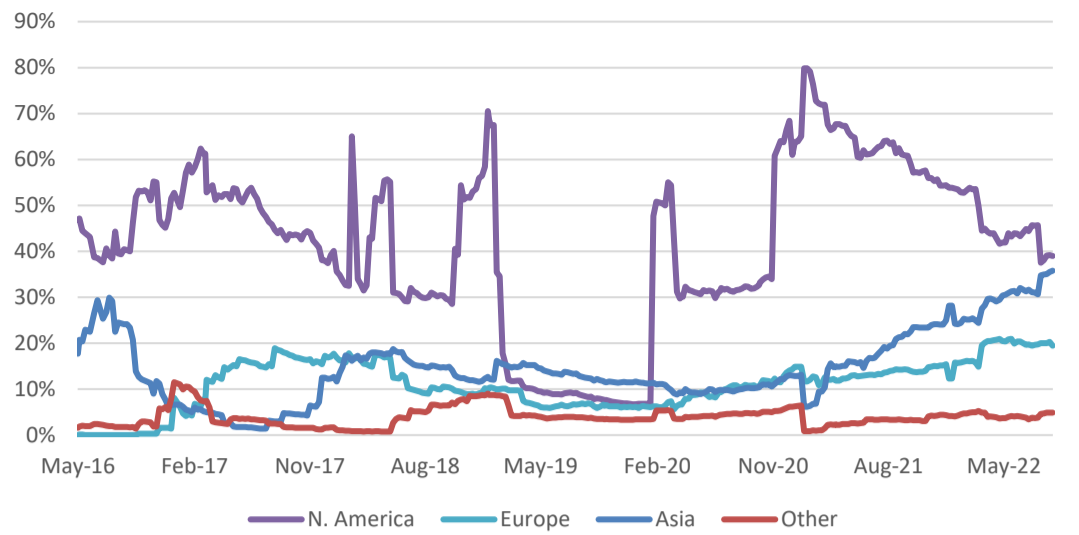


Tactical Asset Allocation

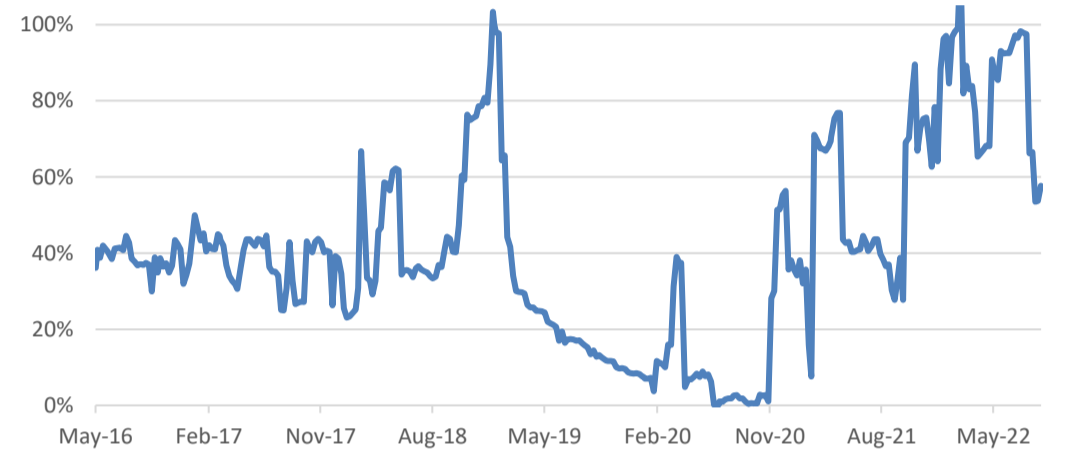
Equity	N. America	Europe	Asia	Other
08/26/22	38.9%	19.4%	35.8%	4.9%
08/19/22	39.2%	20.2%	35.5%	4.8%
Change	-0.2%	-0.8%	0.3%	0.1%

Sector	08/26/22	08/19/22	Change	BM
Basic Materials	14.37%	13.82%	0.5%	4.3%
Communications	8.78%	9.71%	-0.9%	10.5%
Consumer, Cyclical	9.79%	9.43%	0.4%	10.5%
Consumer, Non-cyclical	19.89%	20.23%	-0.3%	20.5%
Energy	5.83%	5.78%	0.1%	5.1%
Financial	15.55%	14.76%	0.8%	18.4%
Government	0.19%	0.04%	0.1%	18.4%
Industrial	11.32%	10.41%	0.9%	10.3%
Technology	9.41%	12.15%	-2.7%	17.2%
Utilities	3.82%	3.27%	0.6%	3.1%

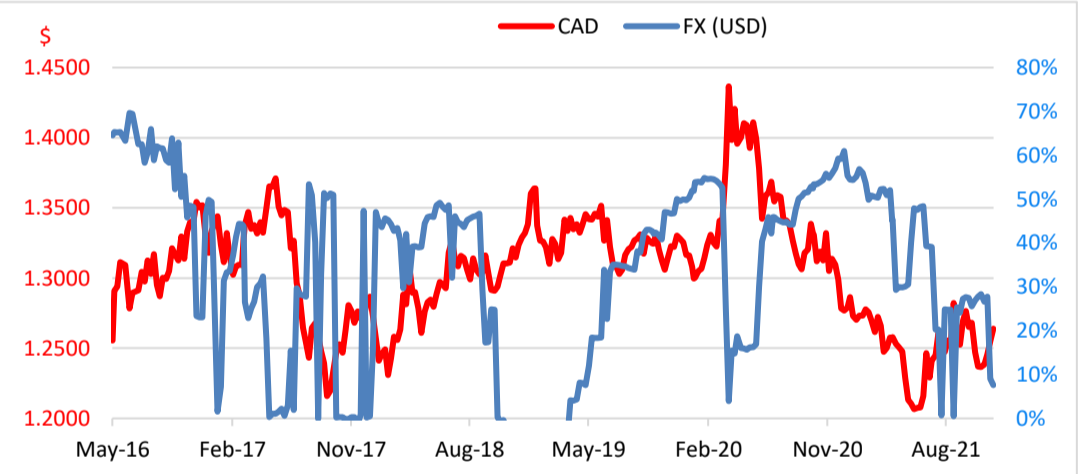
As of: Aug 26 2022	08/26/22	08/19/22	Change
FX (USD)	5.4%	4.6%	0.8%
Beta ²	90.6%	88.2%	2.4%
Protection (Delta)	-32.8%	-34.4%	1.6%
Correlation	72.6%	73.7%	-1.1%
Yield ³	3.02%	2.96%	0.06%
ETF Holdings	24	24	0
Volatility ⁴	10.22%	10.21%	0.01%
CAD	1.3033	1.2994	0.3%



Net Beta (Core - Protection): 57.7%



Tactical FX Exposure (USD)



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