



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We often see FOMC meetings as key inflection points. We added back some volatility protection (about one-third) into the portfolios this week. We look to add more should the short squeeze continue into the end of August Jackson Hole conference. If the Fed is going to pivot, they will likely lay out that path. Important to note that inflation expectations ticked higher post meeting as Powell was perceived to be a bit less hawkish. We took profits in our ZQQ exposure and rotated into GD_X (see chart of the week, cheapest in years), ZEM, ZMT, MJ, KBA where we see much more longer-term potential relative to equity growth exposure.

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. The FOMC is now telegraphing easing to offset, but Powell declined to comment on how the market was pricing them. Forward guidance is now fully data dependent. QT has now started, but there is no immediate yield stress in the run-off. We would be more concerned that equity risk premiums will rise and multiples will contract if yields get stressed, which the skinny Green Bill might trigger. The FOMC's more aggressive path has caught them up to the curve and the terminal rate is now expected in December. This suggests a fall earnings related selloff is a very good buying opportunity. That said, we do not expect higher highs (5000+) until after the 2024 elections. We can expect lots of volatility to remain as the global economy rebalances. Anyone suggesting a more bullish path, we'd like to debate. We look to add to a volatility buffer in the coming months on a continuation in a counter trend rally.

PRO-EYES - Berman's Call

Risk Level Medium

The core portfolio beta is 87.7%. The degree of delta protection is -22% while the value of beta protection is 32%.

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 (07/29/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-5.58%	-4.52%	Upside	20%
Prev. Qtr.	-3.39%	-2.91%	Downside	40%
Prev. Year	-4.33%	-2.41%	Months Up	53
Since Inception	30.98%	42.45%	Months Dn	21
Ann. SI (04/28/16)	4.39%	6.31%		
Sharpe Ratio		0.61		

Fund Codes: No Load Retail: BMO70762

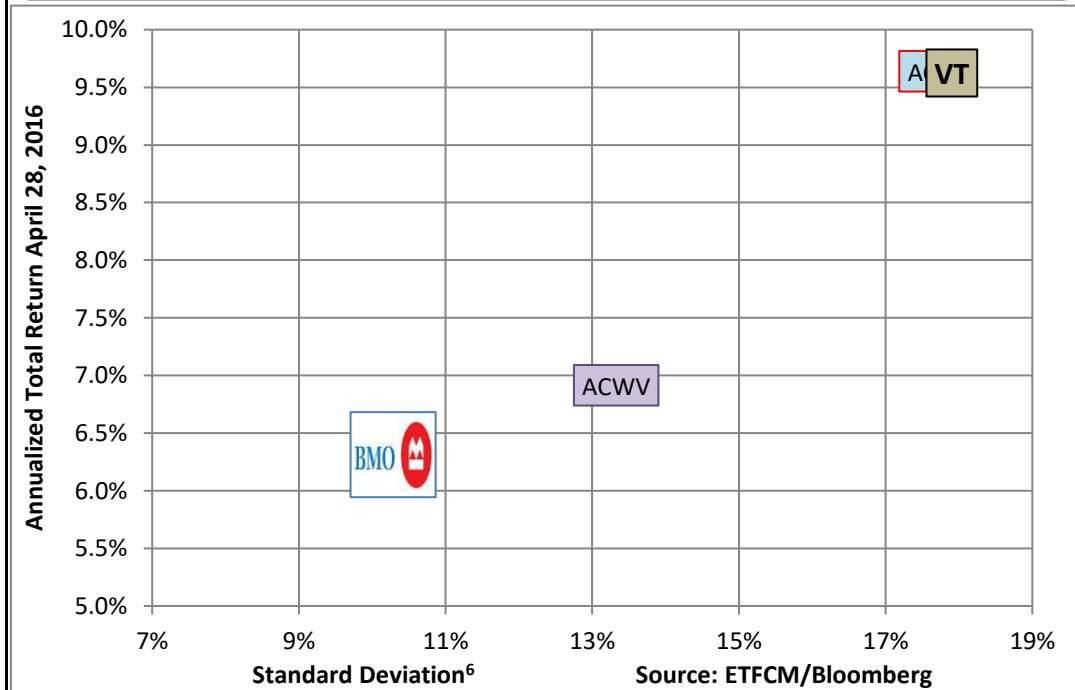
Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	21.1%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	19.1%
ZEM	BMO MSCI Emerging Markets Index ETF	10.1%
GD _X	VanEck Gold Miners ETF/USA	5.1%
KWEB	KraneShares CSI China Internet ETF	3.9%
FLGB	Franklin FTSE United Kingdom ETF	3.8%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	3.1%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	3.0%
FLJH	Franklin FTSE Japan Hedged ETF	3.0%
URA	Global X Uranium ETF	2.9%
ZCLN	BMO Clean Energy Index ETF	2.6%
MJ	ETFMG Alternative Harvest ETF	2.5%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.5%
FLIN	Franklin FTSE India ETF	2.1%
VNM	VanEck Vietnam ETF	1.7%
FINX	Global X FinTech ETF	1.6%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.5%
FLBR	Franklin FTSE Brazil ETF	1.3%
XBI	SPDR S&P Biotech ETF	1.2%
PAVE	Global X US Infrastructure Development ETF	1.0%

Chart of the Week



Defense Core Portfolio Beta: 87.7% **Offense**



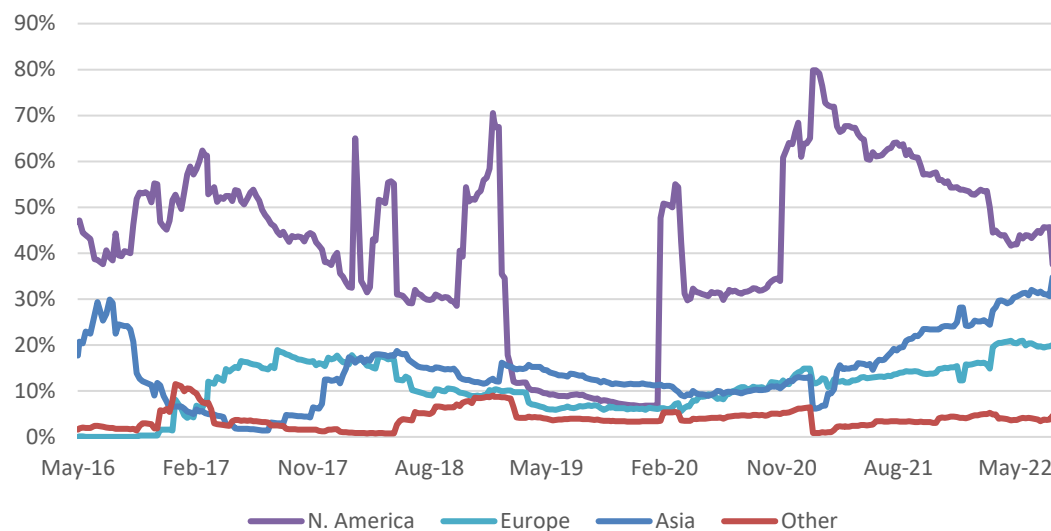
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Tactical Asset Allocation

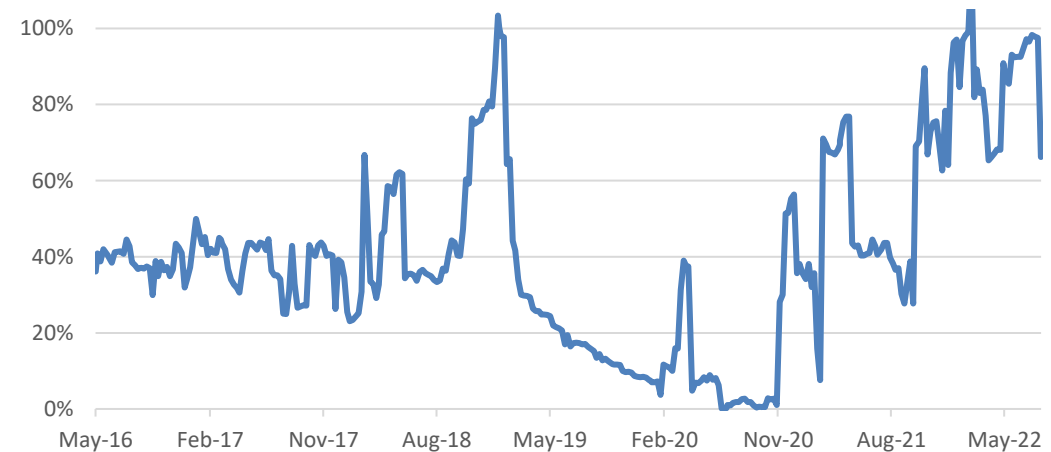
Equity	N. America	Europe	Asia	Other
07/29/22	37.5%	20.0%	34.8%	4.6%
07/22/22	45.6%	19.8%	30.7%	3.7%
Change	-8.1%	0.3%	4.1%	0.9%

Sector	07/29/22	07/22/22	Change	BM
Basic Materials	13.78%	10.05%	3.7%	4.4%
Communications	9.74%	12.56%	-2.8%	10.7%
Consumer, Cyclical	8.67%	9.35%	-0.7%	10.2%
Consumer, Non-cyclical	19.05%	19.64%	-0.6%	21.1%
Energy	5.50%	4.81%	0.7%	5.1%
Financial	14.29%	13.21%	1.1%	18.7%
Government	0.06%	0.04%	0.0%	18.7%
Industrial	10.08%	9.52%	0.6%	10.1%
Technology	12.45%	17.36%	-4.9%	16.5%
Utilities	3.21%	3.11%	0.1%	3.2%

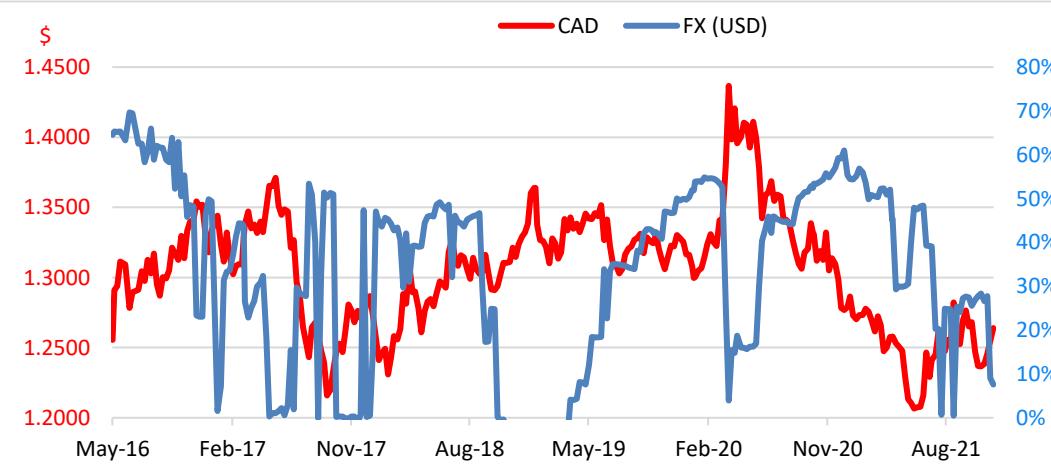
As of: Jul 29 2022	07/29/22	07/22/22	Change
FX (USD)	4.2%	2.7%	1.5%
Beta ²	87.7%	97.6%	-9.8%
Protection (Delta)	-21.5%	0.0%	-21.5%
Correlation	69.7%	76.4%	-6.7%
Yield ³	2.88%	2.57%	0.31%
ETF Holdings	25	27	-2
Volatility ⁴	10.29%	10.80%	-0.51%
CAD	1.2815	1.2916	-0.8%



Net Beta (Core - Protection): 66.2%



Tactical FX Exposure (USD)



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