



BMO Tactical Balanced ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

We sold the balance of VGK last week to take down exposure to the Euro. We are positioned in maximum defensive positioning as we expect the recessionary phase of the business cycle to play out in the coming quarters. Jamie Dimon said last week that it's a virtual certainty, but the timing may be pushed back a bit. It seems higher for longer and restrictive financial conditions is the playbook despite the fact that the market still see considerable easing and a soft landing. Hard to believe the fastest tightening cycle in decades ends in anything but a recession. It's clear by looking at equal weight versus cap weighted indexes that international and emerging markets are performing well compared to the US where the average stock is up very little as we can see by the sharp differences between the world equal weight index and the US equal weight indexes. The weakness in unprofitable small caps speaks volumes. The strength in a handful of large cap tech stocks is providing a very misleading picture. On the bond side, we make no trades as long yields held well within our range expectations.

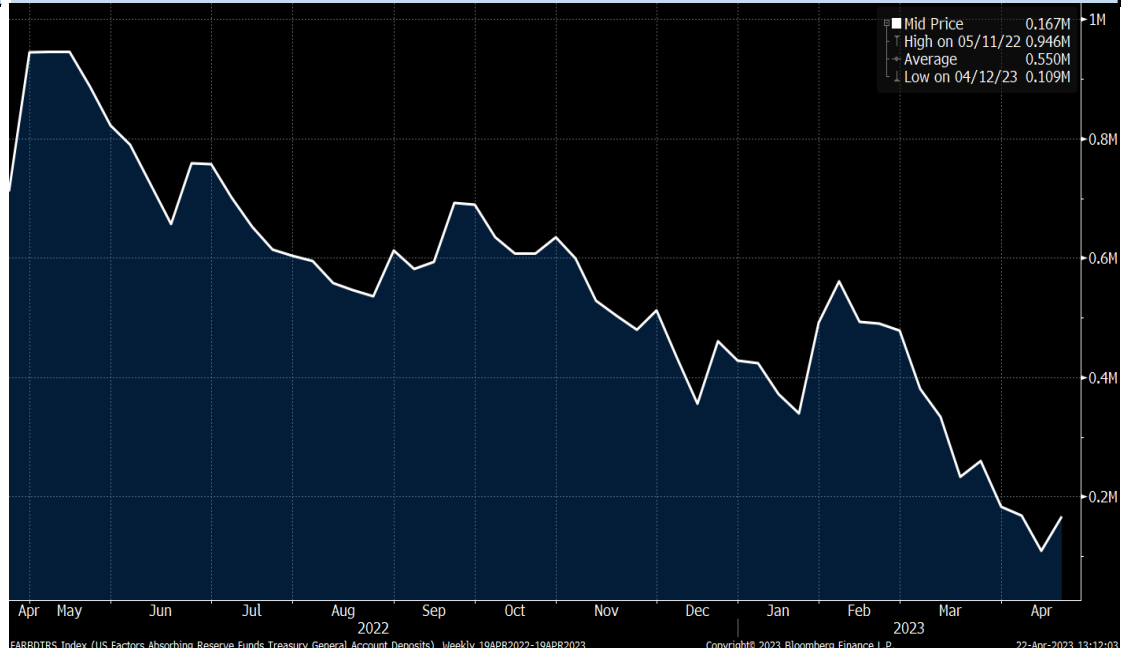
Macro Market Strategy

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. The FOMC's more aggressive path (higher for longer) is now facing some systemic risks as the rapid rate hikes that have impacted bank balance sheets have tightened financial conditions. We expect the FOMC to raise rates 25 bps at the May meeting and suggest more may be needed and that they remain data dependent. There are indications that the economy is weakening and the FOMC's own staff believe a recession is likely later in 2023. This does not mean they will ease until financial conditions tighten enough to remove the risk of inflation expectations increasing. We think this means economic pain in the labour markets, which we have not seen yet. "Gradually and then suddenly." Hemingway 1926.

Top Holdings

| Ticker | Name | Position |
|--------|--|----------|
| ZDM | BMO MSCI EAFE Hedged to CAD Index ETF | 18.9% |
| ZUE | BMO S&P 500 Hedged to CAD Index ETF | 15.3% |
| ZEM | BMO MSCI Emerging Markets Index ETF | 13.3% |
| TLT | iShares 20+ Year Treasury Bond ETF | 10.9% |
| ZST | BMO Ultra Short-Term Bond ETF | 9.4% |
| KWEB | KraneShares CSI China Internet ETF | 3.3% |
| RYT | Invesco S&P 500 Equal Weight Technology ETF | 2.6% |
| CIBR | First Trust NASDAQ Cybersecurity ETF | 2.4% |
| URA | Global X Uranium ETF | 2.3% |
| XBI | SPDR S&P Biotech ETF | 2.3% |
| KBA | KraneShares Bosera MSCI China A 50 Connect Index ETF | 2.0% |
| XLP | Consumer Staples Select Sector SPDR Fund | 1.9% |
| ZCLN | BMO Clean Energy Index ETF | 1.9% |
| FINX | Global X FinTech ETF | 1.6% |
| BOTZ | Global X Robotics & Artificial Intelligence ETF | 1.5% |
| MJ | ETFMG Alternative Harvest ETF | 1.4% |
| EMLC | VanEck J. P. Morgan EM Local Currency Bond ETF | 1.3% |
| GDX | VanEck Gold Miners ETF/USA | 1.2% |
| FLIN | Franklin FTSE India ETF | 1.2% |
| XLI | Industrial Select Sector SPDR Fund | 0.9% |

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Low**

The core portfolio beta is 72.5%. The degree of delta protection is -56% while the value of beta protection is 5%. The weighted average cap is: 4400. The weighted average collar is: 4100. The weighted average floor is: 0.

The tactical PRO-EYES factor suggests that while some caution is still warranted on business cycle and valuation and that we are likely in a bear market cycle, the tactical component suggests lots of two-way opportunity is likely. The February and March weakness has moved the tactical component to oversold levels.

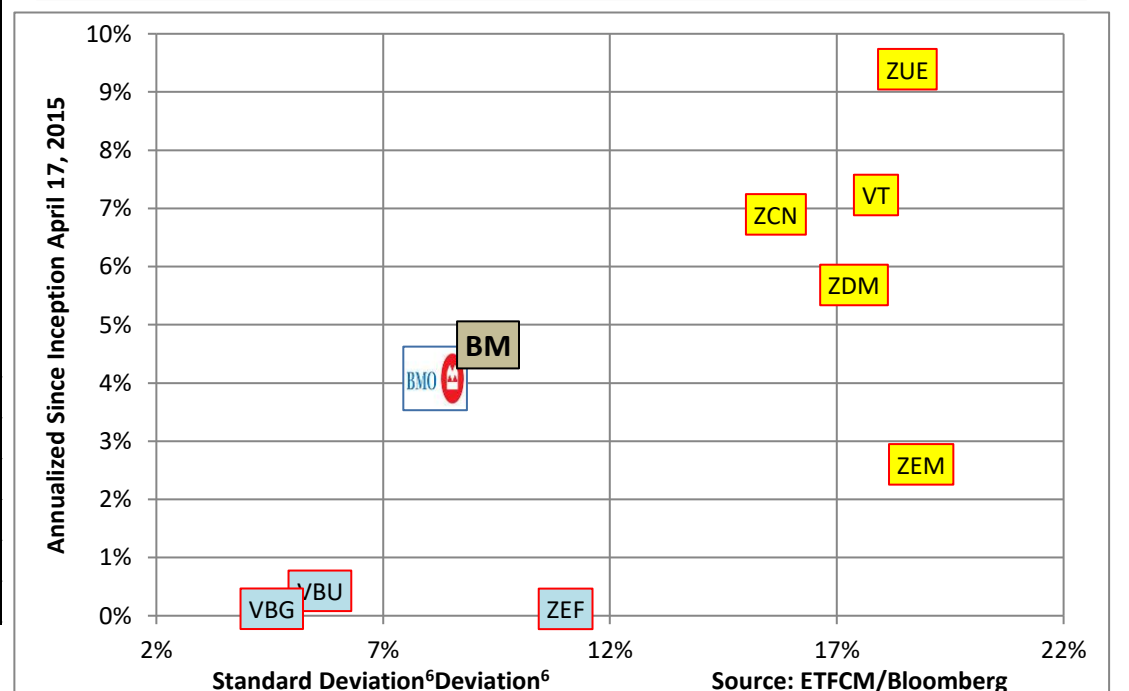
Performance Metrics (A-Series) as of (04/28/23)

| Total Return | Net | Gross | Up/Downside ⁵ | |
|--------------------|------------------------------------|--------|--------------------------|-----|
| YTD | 3.72% | 4.33% | Upside | 21% |
| Prev. Month | -0.13% | 0.04% | Down | 40% |
| Prev. Quarter | -1.97% | -1.49% | Mths Up | 59 |
| Prev. Year | 1.66% | 3.58% | Mths Dn | 38 |
| Ann. SI (04/17/15) | 2.15% | 4.07% | | |
| Sharpe Ratio | 0.50 | | | |
| Fund Codes: | Advisor BMO99222; F-Class BMO95222 | | | |

Defense

Core Portfolio Beta: 72.5%

Offense



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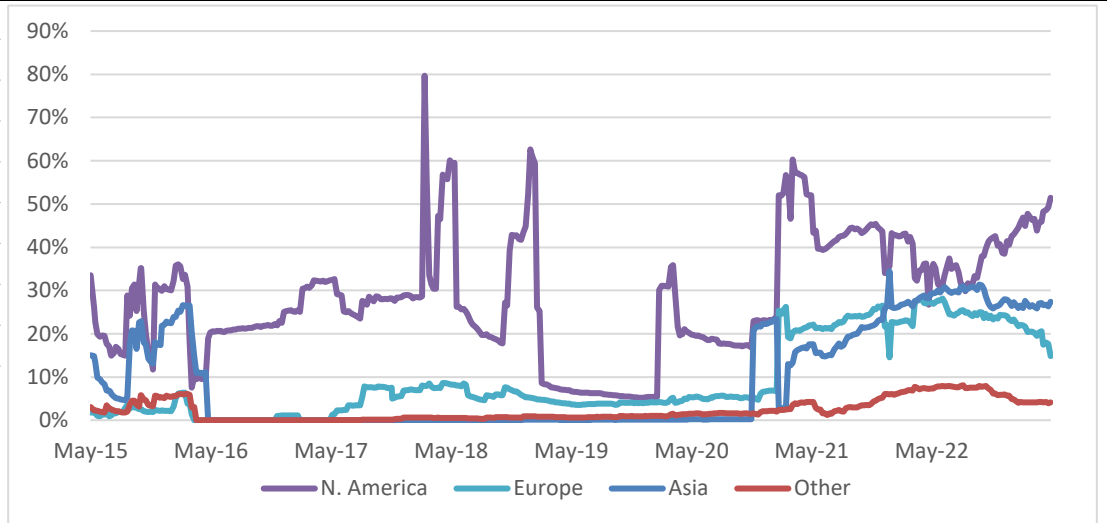
Tactical Asset Allocation

| Equity | N. America | Europe | Asia | Other |
|----------|------------|--------|-------|-------|
| 04/28/23 | 51.4% | 14.8% | 27.4% | 4.1% |
| 04/21/23 | 49.2% | 17.7% | 26.3% | 4.0% |
| Change | 2.2% | -2.9% | 1.1% | 0.2% |

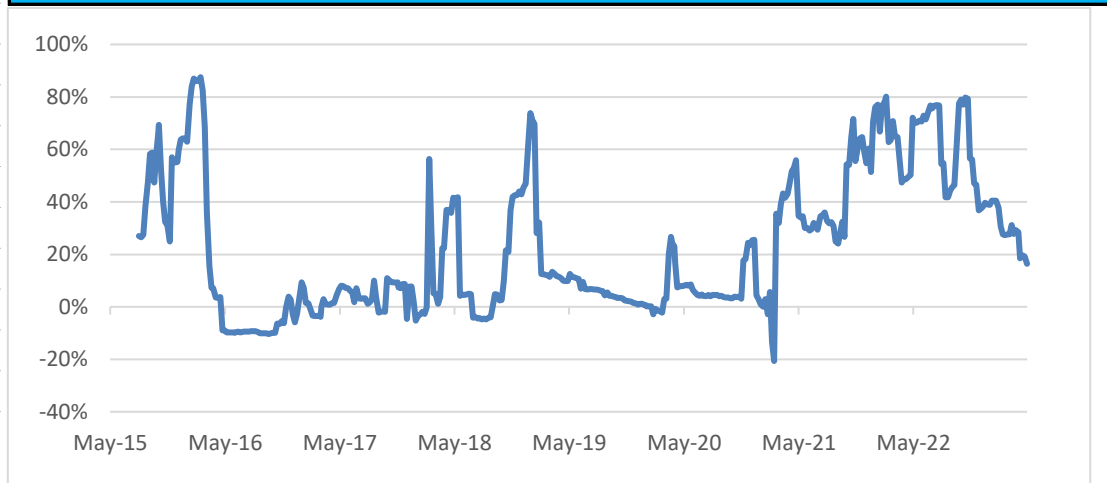
| Bonds | Corp. | Govt. | Pref. | Cash |
|----------|-------|-------|-------|-------|
| 04/28/23 | 10.5% | 13.7% | 0.5% | 1.8% |
| 04/21/23 | 10.1% | 12.9% | 0.5% | 2.1% |
| Change | 0.4% | 0.7% | 0.0% | -0.3% |

| Bonds | Duration |
|----------|----------|
| 04/28/23 | 8.09 |
| 04/21/23 | 7.84 |
| Change | 0.25 |

| Sector | 04/28/23 | 04/21/23 | Change | BM |
|------------------------|----------|----------|--------|-------|
| Basic Materials | 5.9% | 5.8% | 0.1% | 2.9% |
| Communications | 8.8% | 8.7% | 0.1% | 6.8% |
| Consumer, Cyclical | 7.6% | 7.7% | -0.1% | 6.9% |
| Consumer, Non-cyclical | 16.3% | 16.7% | -0.3% | 13.4% |
| Energy | 4.9% | 5.0% | -0.1% | 3.7% |
| Financial | 16.6% | 16.5% | 0.1% | 17.1% |
| Government | 13.6% | 12.8% | 0.8% | 27.4% |
| Industrial | 8.3% | 8.4% | -0.2% | 7.1% |
| Technology | 12.5% | 12.3% | 0.2% | 11.1% |
| Utilities | 3.1% | 3.2% | -0.1% | 2.7% |

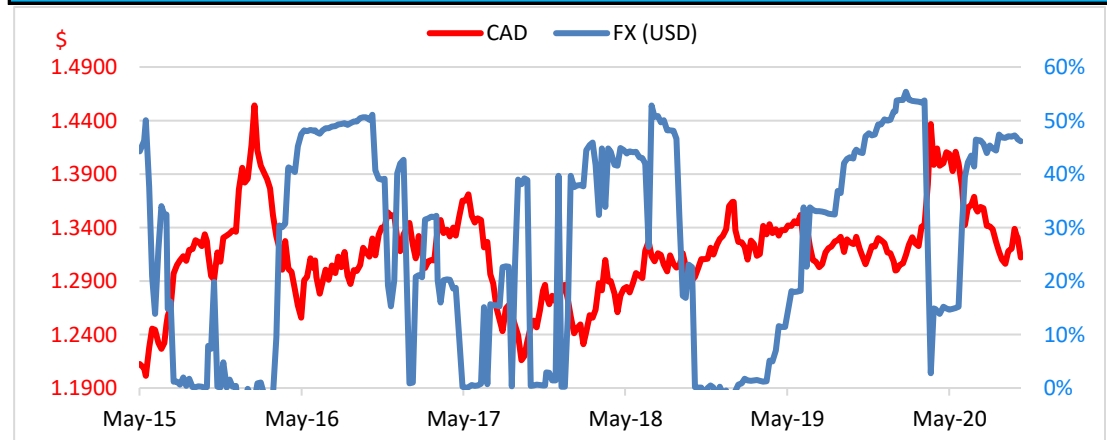


Net Beta (Core - Protection): 16.4%



| As of: 04/28/23 | 04/28/23 | 04/21/23 | Change |
|-------------------------|----------|----------|--------|
| FX (USD) | 1.0% | 4.6% | -3.6% |
| Beta ² | 72.5% | 72.6% | -0.2% |
| Protection | -56.1% | -53.5% | -2.6% |
| Correlation | 89.2% | 88.2% | 0.9% |
| Yield ³ | 2.76% | 2.77% | 0.00% |
| ETF Holdings | 23 | 24 | -1 |
| Volatility ⁴ | 8.15% | 8.16% | 0.00% |
| CAD | 1.3552 | 1.3537 | 0.1% |

Tactical FX Exposure (USD)



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1 Benchmark is the return of the targeted portfolio 60% global equities and 40% global bonds hedged to Canadian dollars; 2 Beta is a measure of how a fund responds to moves in the broader market. A beta of greater than 1.0 suggests that the fund is more volatile than the market, while a beta of less than 1.0 suggests that the fund is less volatile. 3 Yield is the most recent income received by the fund in the form of dividends, interest and other income annualized based on the payment frequency, divided by the current market value of the fund's investments. 4 Volatility is the annualized standard deviation which is a measure of risk. 5 Upside/Downside is a statistical measure of how much of the fund performance a manager captured during up-markets or down-markets. Typically, an investor would prefer a higher upside capture and lower downside capture. The time period presented is since inception. 6 Standard Deviation is a measure of risk that calculates the variation of a fund's performance around its average over a specific time period.

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