



BMO Tactical Balanced ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Once again, Treasuries sold off under the weight of supply and we added back some of the duration (TLT) that we cut the previous week. We expect higher yields will play out in the coming quarters and positioning for a hard landing is the correct play. We look to be max duration (20% of portfolio in TLT when our modelling suggests term premiums are attractive. We are not there yet. Inflation is beginning to tick higher again and the R-Star discussions at Jackson Hole along with a focus back on the macro from earnings will likely push risk premiums higher. Total return on duration and broad fixed-income is back to negative YTD.

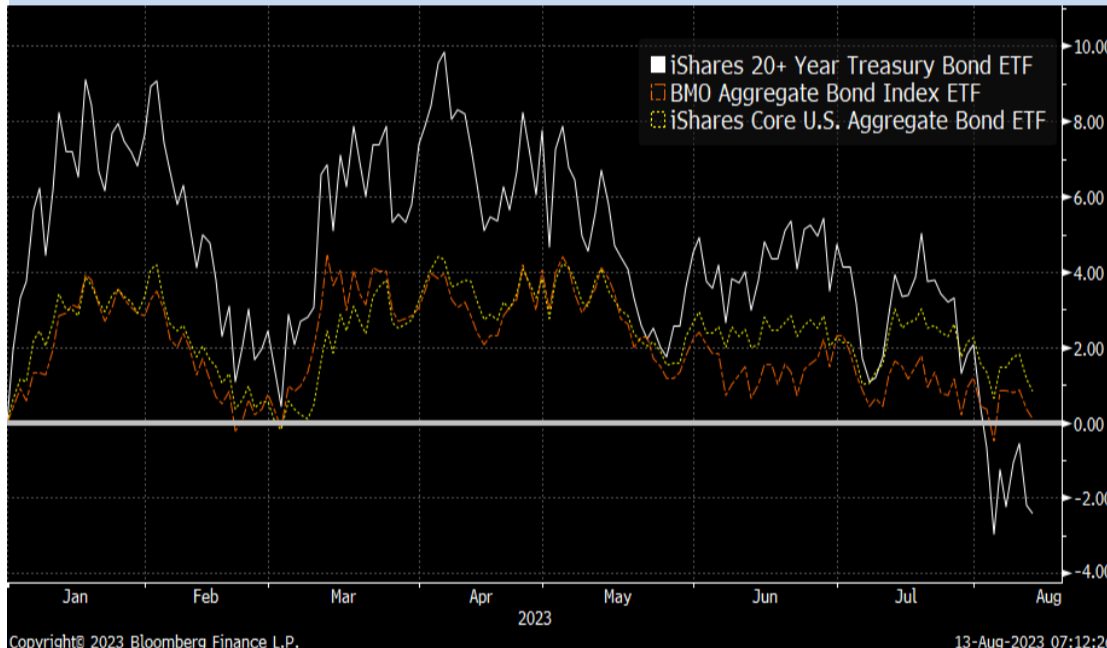
Top Holdings

Ticker	Name	Position
ZEM	BMO MSCI Emerging Markets Index ETF	16.1%
RSP	Invesco S&P 500 Equal Weight ETF	15.9%
TLT	iShares 20+ Year Treasury Bond ETF	13.4%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	10.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	8.7%
ZST	BMO Ultra Short-Term Bond ETF	6.2%
KWEB	KraneShares CSI China Internet ETF	3.6%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.8%
URA	Global X Uranium ETF	2.8%
XBI	SPDR S&P Biotech ETF	2.4%
ZCLN	BMO Clean Energy Index ETF	2.2%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.0%
XLP	Consumer Staples Select Sector SPDR Fund	2.0%
FINX	Global X FinTech ETF	1.8%
FLKR	Franklin FTSE South Korea ETF	1.8%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.7%
MJ	ETFMG Alternative Harvest ETF	1.4%
FLIN	Franklin FTSE India ETF	1.4%
GDX	VanEck Gold Miners ETF/USA	1.1%
XLI	Industrial Select Sector SPDR Fund	1.0%

Macro Market Strategy

Our macro indicators suggest a high degree of caution. We believe the message in the yield curve is a hard landing. However, market positioning is very different. While central banks have tried to tighten financial conditions, equity indexes are significantly offsetting. Debt financing is being done in the Bills market, which is favourable for risk premiums. While the behaviour of the tape is encouraging as breadth improves, the leadership stocks remain at extreme valuations. We expect central banks' message of higher for longer should eventually cause a hard landing. The end of the business cycle is a process not an event. We maintain a high degree of protection in the portfolio, which has been a negative in Q2. The market is looking forward to an easing cycle and we believe inflation trends will limit the ability to stimulate compared to past cycles (post 1980s).

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Low**

The core portfolio beta is 75.3%. The degree of delta protection is -71% while the value of beta protection is 76% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 0.

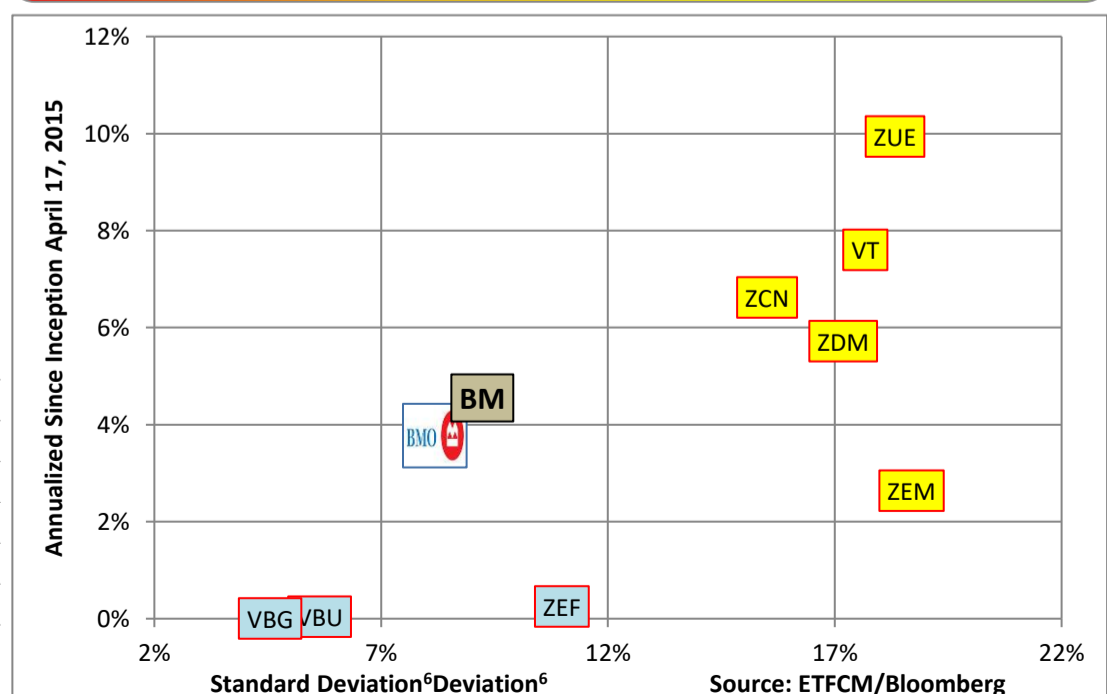
The overall PRO-EYES factors suggest that we are in a period of very high caution. Tactically, we are seeing some extreme overbought readings that suggest a high probability of a correction of more than 11% is likely.

Defense **Core Portfolio Beta: 75.3%** Offense



Performance Metrics (A-Series) as of (08/11/23)

Total Return	Net	Gross	Up/Downside ⁵	
YTD	1.77%	2.91%	Upside	21%
Prev. Month	-0.30%	-0.14%	Down	41%
Prev. Quarter	-2.03%	-1.55%	Mths Up	60
Prev. Year	2.93%	4.85%	Mths Dn	39
Ann. SI (04/17/15)	1.85%	3.77%		
Sharpe Ratio	0.46			
Fund Codes:	Advisor BMO99222; F-Class BMO95222			



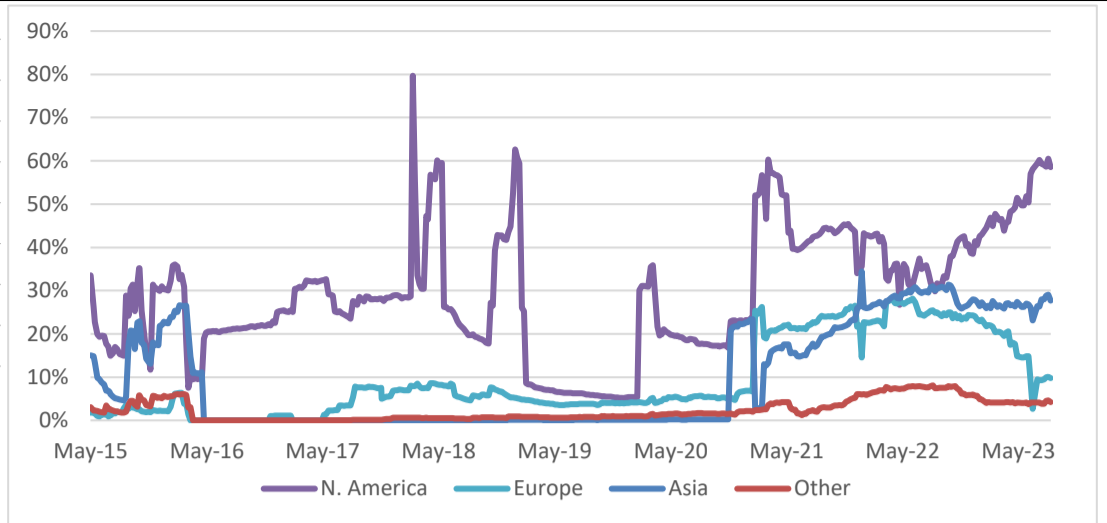
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
08/11/23	58.6%	9.8%	27.7%	4.2%
08/04/23	60.5%	10.0%	29.1%	4.6%
Change	-2.0%	-0.2%	-1.4%	-0.3%

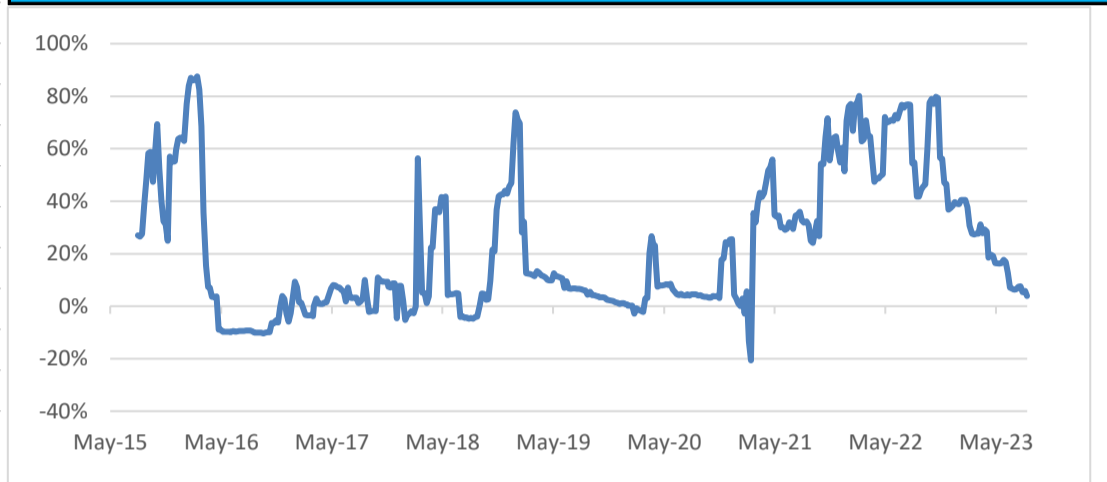
Bonds	Corp.	Govt.	Pref.	Cash
08/11/23	7.4%	15.0%	0.6%	2.3%
08/04/23	7.6%	15.7%	0.6%	-1.2%
Change	-0.2%	-0.6%	0.0%	3.5%

Bonds	Duration
08/11/23	13.06
08/04/23	11.49
Change	1.58

Sector	08/11/23	08/04/23	Change	BM
Basic Materials	6.3%	6.6%	-0.3%	2.7%
Communications	9.5%	9.9%	-0.4%	6.9%
Consumer, Cyclical	8.2%	8.6%	-0.3%	7.1%
Consumer, Non-cyclical	16.6%	17.0%	-0.4%	12.9%
Energy	4.9%	5.0%	-0.1%	3.4%
Financial	16.1%	16.8%	-0.8%	16.6%
Government	14.3%	14.9%	-0.6%	26.3%
Industrial	9.2%	9.5%	-0.3%	7.0%
Technology	11.9%	12.6%	-0.6%	12.0%
Utilities	3.2%	3.2%	0.0%	1.7%

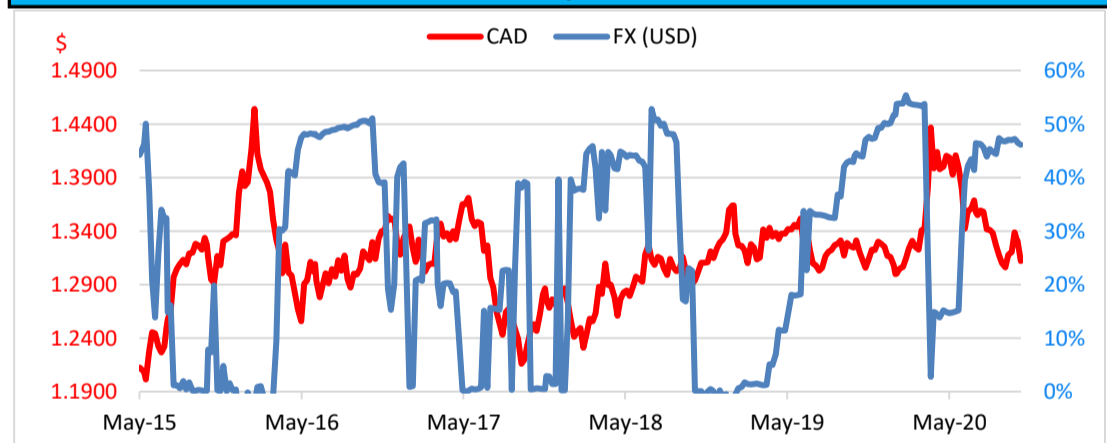


Net Beta (Core - Protection): 3.9%



As of: 08/11/23	08/11/23	08/04/23	Change
FX (USD)	26.2%	23.0%	3.1%
Beta ²	75.3%	79.3%	-4.0%
Protection	-71.4%	-73.5%	2.0%
Correlation	86.0%	92.0%	-6.0%
Yield ³	2.70%	2.67%	0.03%
ETF Holdings	22	22	0
Volatility ⁴	8.19%	8.15%	0.04%
CAD	1.3440	1.3379	0.5%

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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