



BMO Tactical Balanced ETF Fund Highlights

Core Tactical/Strategic Portfolio Outlook/Adjustments

Our chart of the week shows the Modified Duration of the US long bond ETF (TLT). The increase in yield and increase in coupon in recent weeks has pushed the index close to the highest in decades. At Jackson Hole this week, we expect the higher for longer message and discussions about R*(star) to add to stress for risk premiums. We continued to set up the bond portion of the portfolio for a hard landing. Our max duration would be equivalent to the TLT (ZTL/U) exposure. We have another 6% to go to reach max duration. We added to exposure this week as yields tested the 2022 highs.

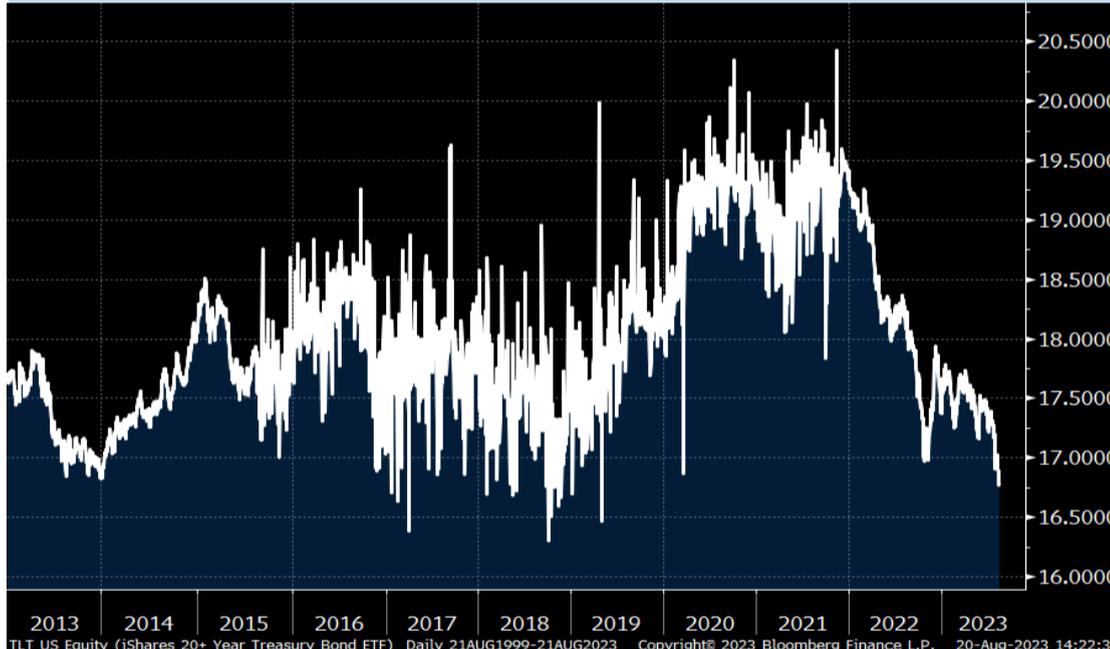
Top Holdings

Ticker	Name	Position
ZEM	BMO MSCI Emerging Markets Index ETF	15.9%
RSP	Invesco S&P 500 Equal Weight ETF	15.8%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	10.5%
TLT	iShares 20+ Year Treasury Bond ETF	9.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	8.6%
ZST	BMO Ultra Short-Term Bond ETF	5.3%
ZTL/U	BMO Long-Term US Treasury Bond Index ETF	4.9%
KWEB	KraneShares CSI China Internet ETF	3.4%
URA	Global X Uranium ETF	2.8%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.8%
XBI	SPDR S&P Biotech ETF	2.4%
ZCLN	BMO Clean Energy Index ETF	2.1%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	2.0%
XLP	Consumer Staples Select Sector SPDR Fund	2.0%
FLKR	Franklin FTSE South Korea ETF	1.8%
FINX	Global X FinTech ETF	1.7%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.6%
MJ	ETFMG Alternative Harvest ETF	1.4%
FLIN	Franklin FTSE India ETF	1.4%
GDX	VanEck Gold Miners ETF/USA	1.1%

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 until recently. The impact of QT and huge coupon supply in the coming years should push risk premiums higher. Based on the current S&P 500 EPS, the fair value is closer to 3600 than 4600. Globally, there remains much better value in stocks globally and the average stock is not extremely overvalue like the large cap tech driven US market. The MSCI world equal weight index has outperformed the market cap index over the past 20 years, but not the past 10 years. Large cap tech should be multiple challenged in a higher for longer world.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level **Low**

The core portfolio beta is 75.1%. The degree of delta protection is -71% while the value of beta protection is 78% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 0.

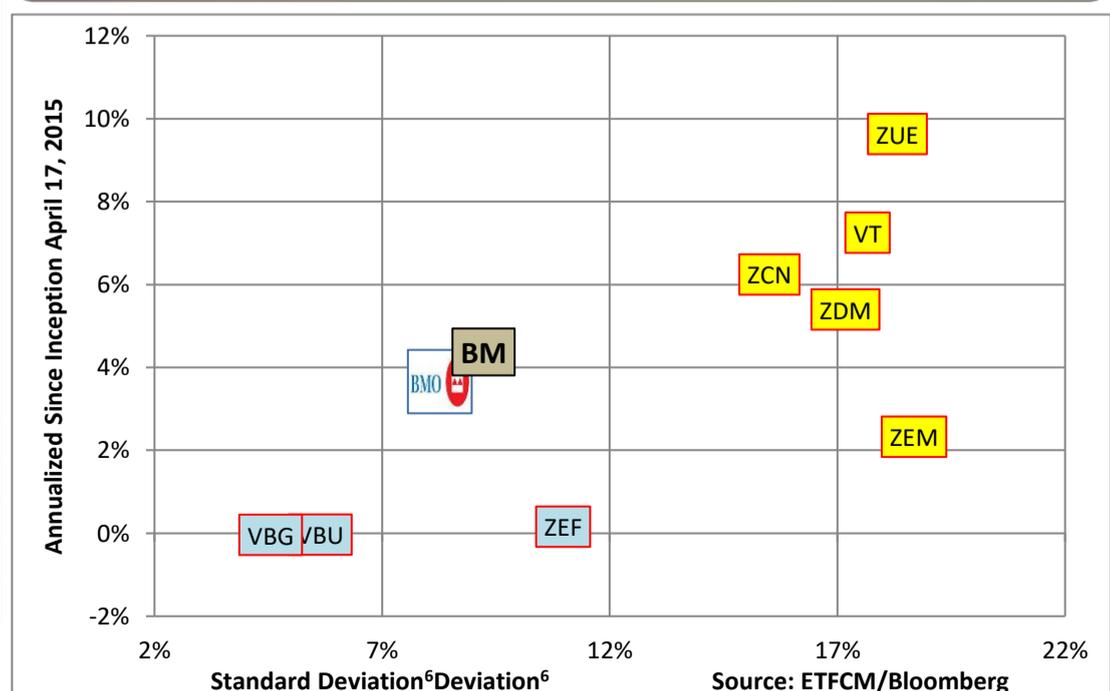
The overall PRO-EYES factors suggest that we are in a period of very high caution. Tactically, we are seeing some extreme overbought readings that suggest a high probability of a correction of more than 11% is likely.

Defense Core Portfolio Beta: 75.1% Offense



Performance Metrics (A-Series) as of (08/18/23)

Total Return	Net	Gross	Up/Downside ⁵	
YTD	0.89%	2.07%	Upside	21%
Prev. Month	-1.00%	-0.84%	Down	41%
Prev. Quarter	-2.26%	-1.78%	Mths Up	60
Prev. Year	2.67%	4.59%	Mths Dn	39
Ann. SI (04/17/15)	1.74%	3.66%		
Sharpe Ratio	0.44			
Fund Codes:	Advisor BMO99222; F-Class BMO95222			



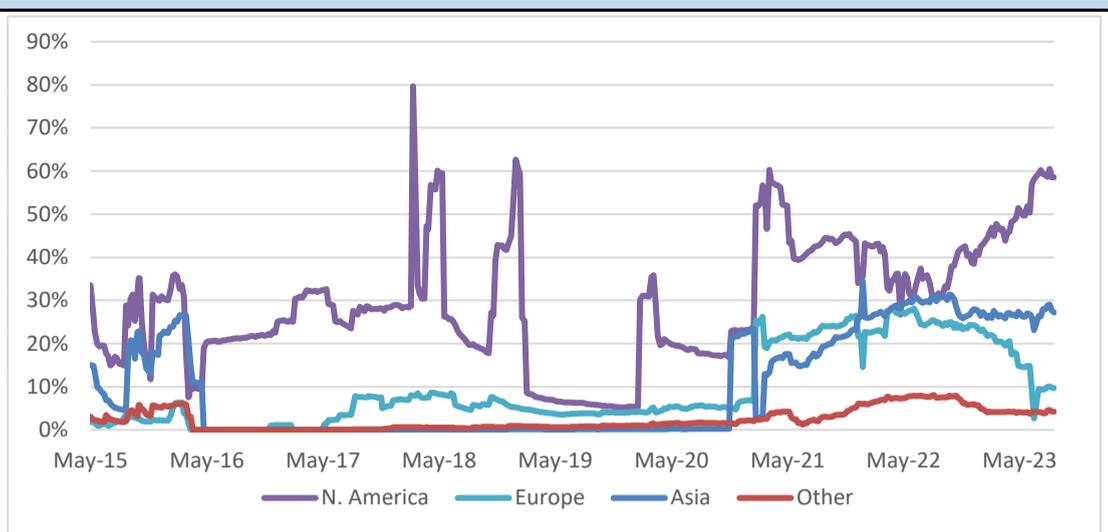
Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
08/18/23	58.6%	9.6%	27.2%	4.2%
08/11/23	58.6%	9.8%	27.7%	4.2%
Change	0.0%	-0.2%	-0.4%	-0.1%

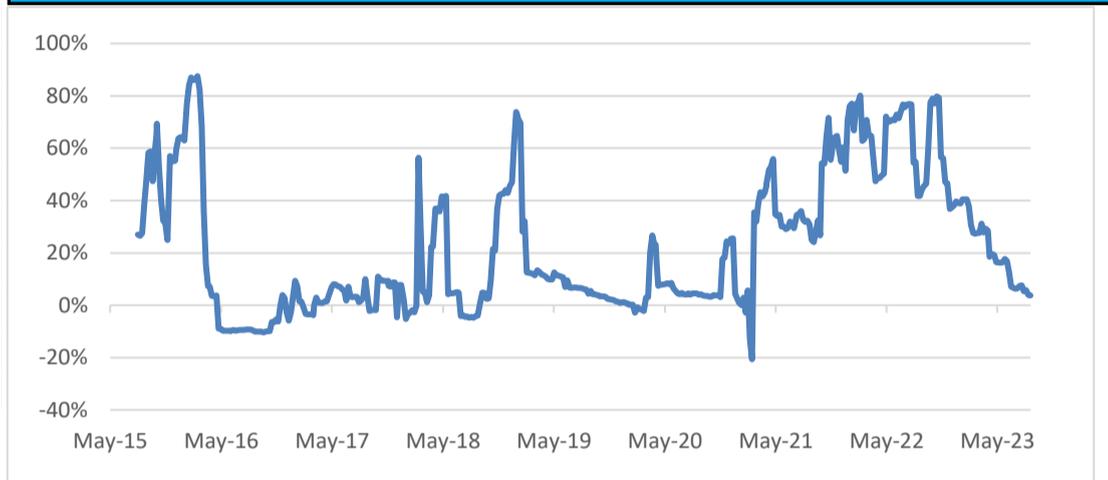
Bonds	Corp.	Govt.	Pref.	Cash
08/18/23	11.3%	11.2%	0.6%	1.5%
08/11/23	7.4%	15.0%	0.6%	2.3%
Change	3.9%	-3.8%	0.0%	-0.8%

Bonds	Duration
08/18/23	11.45
08/11/23	11.00
Change	0.45

Sector	08/18/23	08/11/23	Change	BM
Basic Materials	6.2%	6.3%	-0.1%	2.8%
Communications	9.2%	9.5%	-0.2%	7.0%
Consumer, Cyclical	8.0%	8.2%	-0.2%	7.0%
Consumer, Non-cyclical	16.5%	16.6%	-0.1%	12.7%
Energy	4.8%	4.9%	-0.1%	3.5%
Financial	15.4%	16.1%	-0.6%	16.8%
Government	15.2%	14.3%	0.9%	26.3%
Industrial	9.0%	9.2%	-0.2%	6.9%
Technology	11.9%	11.9%	-0.1%	11.9%
Utilities	3.2%	3.2%	0.0%	1.6%

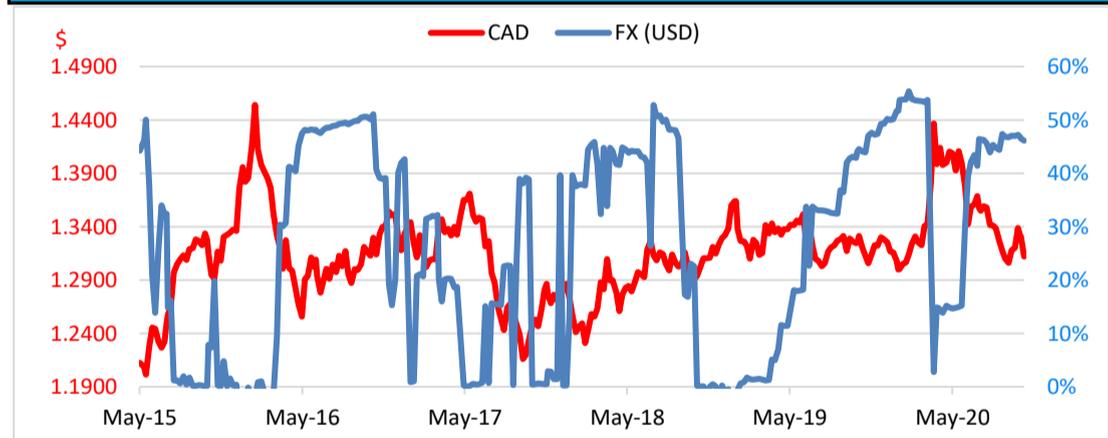


Net Beta (Core - Protection): 3.7%



As of: 08/18/23	08/18/23	08/11/23	Change
FX (USD)	26.4%	26.2%	0.3%
Beta ²	75.1%	75.3%	-0.2%
Protection	-71.4%	-71.4%	0.1%
Correlation	87.2%	86.0%	1.2%
Yield ³	2.73%	2.70%	0.04%
ETF Holdings	23	22	1
Volatility ⁴	8.28%	8.19%	0.09%
CAD	1.3553	1.3440	0.8%

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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