



# BMO Tactical Balanced ETF Fund Highlights

Top Holdings				
Ticker	Name	Position	Previous	Change
ZMMK	BMO Money Market Fund ETF Series	13.9%	9.7%	4.19%
ZEM	BMO MSCI Emerging Markets Index ETF	13.1%	13.0%	0.09%
RSP	Invesco S&P 500 Equal Weight ETF	12.4%	12.2%	0.22%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	9.9%	9.7%	0.26%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	6.3%	6.2%	0.12%
ZEA	BMO MSCI EAFE Index ETF	6.3%	6.2%	0.12%
ZTL/U	BMO Long-Term US Treasury Bond Index ETF	5.1%	9.9%	-4.77%
ZCLN	BMO Clean Energy Index ETF	3.6%	3.5%	0.07%
KWEB	KraneShares CSI China Internet ETF	3.2%	3.3%	-0.14%
XBI	SPDR S&P Biotech ETF	2.9%	2.9%	0.03%
GDX	VanEck Gold Miners ETF/USA	2.4%	2.4%	0.03%
XLE	Energy Select Sector SPDR Fund	2.2%	2.2%	0.01%
XLP	Consumer Staples Select Sector SPDR Fund	2.2%	2.1%	0.07%
FINX	Global X FinTech ETF	2.2%	2.1%	0.04%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.0%	2.0%	0.04%
FLKR	Franklin FTSE South Korea ETF	2.0%	1.9%	0.12%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.0%	1.9%	0.03%
MJ	Amplify Alternative Harvest ETF	1.9%	1.8%	0.16%
FLIN	Franklin FTSE India ETF	1.8%	1.7%	0.07%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	1.8%	1.8%	-0.09%
XLI	Industrial Select Sector SPDR Fund	1.2%	1.2%	0.04%
FLBR	Franklin FTSE Brazil ETF	0.9%	1.0%	-0.01%
URA	Global X Uranium ETF	0.7%	0.7%	0.05%

Exposures	02/02/24	01/26/24	Change
Basic Materials	6.0%	5.9%	0.2%
Communications	7.8%	8.0%	-0.2%
Consumer, Cyclical	7.1%	6.9%	0.2%
Consumer, Non-cyclical	16.3%	16.9%	-0.6%
Energy	7.0%	6.9%	0.1%
Financial	11.6%	11.5%	0.1%
Industrial	8.6%	8.4%	0.3%
Technology	12.0%	11.9%	0.1%
Government	5.2%	10.4%	-5.2%
Corporate Debt	13.9%	9.7%	4.2%
Preferred	0.0%	0.0%	0.0%
Duration	4.21	7.56	-3.35
N. America	57.7%	59.1%	-0.01
Europe	11.2%	11.1%	0.00
Asia	25.7%	25.7%	0.00
Other	4.0%	3.9%	0.00
FX (USD)	27.7%	23.5%	4.2%
Beta <sup>2</sup>	76.6%	77.2%	-0.6%
Protection	-38.4%	-36.8%	-1.6%
Correlation	87.8%	91.9%	-4.2%
Yield <sup>3</sup>	2.38%	2.34%	0.04%
ETF Holdings	24	24	0
Volatility <sup>4</sup>	7.95%	7.96%	-0.01%
CAD	1.3463	1.3453	0.1%

### Macro Market Strategy & Strategic Portfolio Outlook/Adjustments

The portfolio is in RISK-OFF Mode: Growth continues at a moderate pace and inflation is moderating. Labour markets in the US continue to push rate cut expectations farther out. Markets are exhibiting a degree of irrational exuberance Overall, valuations support our risk-off positioning. We are also seeing forward based EPS estimates fall. Last week we took the strong post FOMC rally in long bonds (ZTL/U) to cut duration and put the proceeds back into money markets (ZMMK). We believe the negative risk premium in long bonds today given the massive coupon supply coming will stress bond yields higher. We will extend duration again in the coming months, with our hard landing scenario playing out once the US labour market breaks. There is little indication that will happen in the coming months.

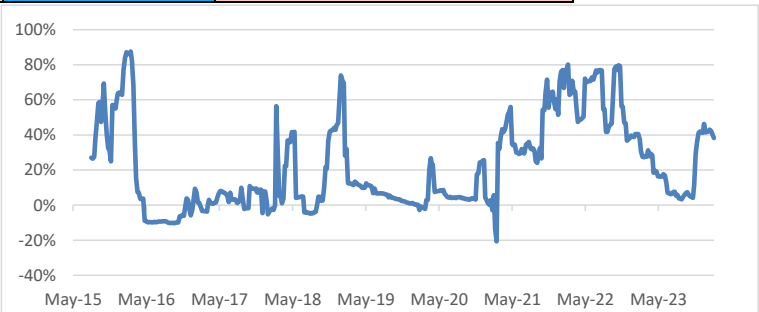
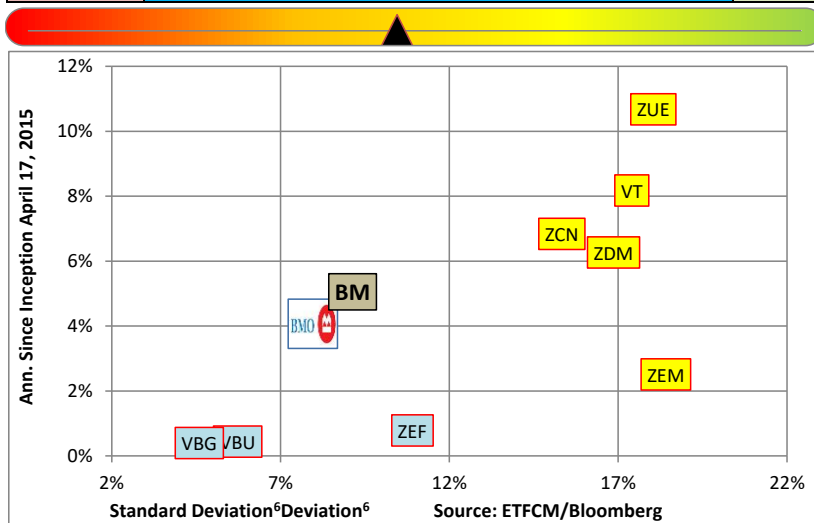
### Performance (A-Series) as of (02/02/24)

Total Return	Net	Gross
YTD	-0.87%	-0.68%
Prev. Month	-0.05%	0.11%
Prev. Quarter	4.56%	5.04%
Prev. Year	-0.40%	1.52%
Ann. SI (04/17/15)	2.15%	4.07%
Sharpe Ratio		0.51

### Up/Downside<sup>5</sup>

Upside	21%
Down	41%
Mths Up	63
Mths Dn	43

Risk-Off | Core Portfolio Beta: 76.6% | Risk-On | Net Risk Level | Risk-Off

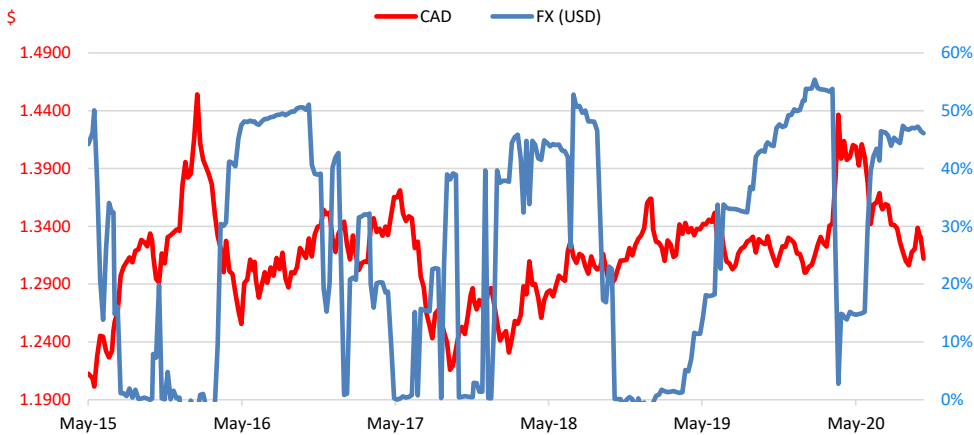


### PRO-EYES Indicators

The overall PRO-EYES factors suggest that we are in a very high risk position and we should have maximum defense in portfolios. The core portfolio beta is 76.6%. The degree of delta protection is -38% while the value of beta protection is 0% of the portfolio. The weighted average cap is: 5200. The weighted average collar is: 4700. The weighted average floor is: 0.

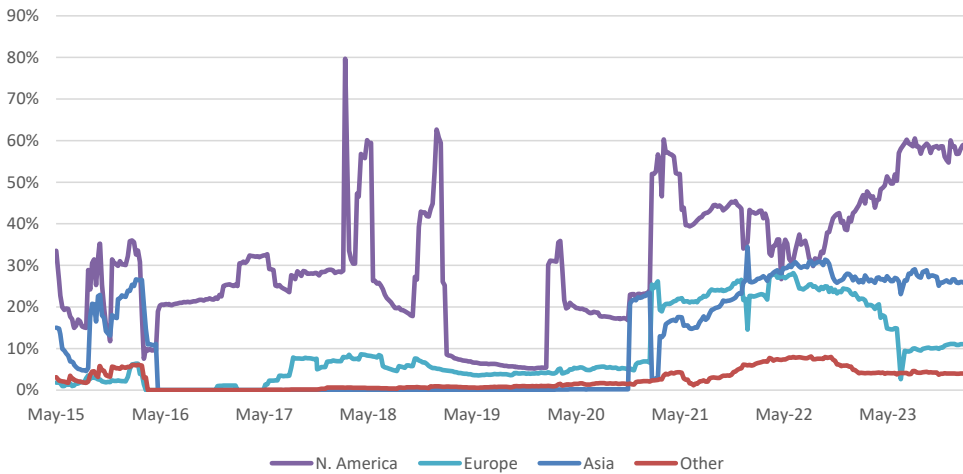
## Tactical Asset Allocation

### Tactical FX Exposure (USD): 27.7%



Generally in a risk-off mode we will have some or full exposure to the US Dollar and be hedged against EAFE and EM currencies (where possible). We currently have about half our non-US international exposure hedged, while we have about 25% exposure to the US Dollar.

### Tactical Regional Exposure



We have had a structural overweight exposure to the North America and specifically to the US market for a long period. Other exposure is primarily Central and South America. Despite valuation concerns, the US is still the best dirty shirt in the laundry and holds some of the most profitable companies globally.

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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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