



# BMO Tactical Balanced ETF Fund Highlights

Top Holdings				
Ticker	Name	Position	Previous	Change
ZMMK	BMO Money Market Fund ETF Series	15.6%	12.9%	2.69%
ZEM	BMO MSCI Emerging Markets Index ETF	13.2%	13.4%	-0.22%
RSP	Invesco S&P 500 Equal Weight ETF	12.8%	12.6%	0.22%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	7.9%	10.1%	-2.24%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	6.5%	6.4%	0.13%
ZEA	BMO MSCI EAFE Index ETF	6.0%	6.3%	-0.33%
ZTL/U	BMO Long-Term US Treasury Bond Index ETF	5.0%	5.0%	-0.01%
ZCLN	BMO Clean Energy Index ETF	3.5%	3.7%	-0.15%
KWEB	KraneShares CSI China Internet ETF	3.5%	3.3%	0.21%
XBI	SPDR S&P Biotech ETF	3.1%	3.0%	0.12%
GDX	VanEck Gold Miners ETF/USA	2.3%	2.3%	-0.03%
XLE	Energy Select Sector SPDR Fund	2.3%	2.2%	0.07%
FINX	Global X FinTech ETF	2.3%	2.2%	0.04%
XLP	Consumer Staples Select Sector SPDR Fund	2.2%	2.1%	0.04%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.1%	2.1%	0.05%
FLKR	Franklin FTSE South Korea ETF	2.1%	2.0%	0.05%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.0%	1.9%	0.08%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.0%	2.1%	-0.11%
FLIN	Franklin FTSE India ETF	1.8%	1.8%	0.03%
MJ	Amplify Alternative Harvest ETF	1.8%	1.9%	-0.09%
XLI	Industrial Select Sector SPDR Fund	1.3%	1.2%	0.03%
FLBR	Franklin FTSE Brazil ETF	1.0%	1.0%	0.00%
URA	Global X Uranium ETF	0.6%	0.7%	-0.06%

Exposures	02/23/24	02/16/24	Change
Basic Materials	5.8%	5.8%	-0.1%
Communications	8.0%	8.0%	0.1%
Consumer, Cyclical	7.2%	7.1%	0.1%
Consumer, Non-cyclical	16.8%	16.7%	0.1%
Energy	7.0%	7.1%	-0.1%
Financial	11.6%	11.5%	0.1%
Industrial	8.7%	8.5%	0.1%
Technology	11.0%	11.7%	-0.7%
Government	5.0%	5.0%	0.1%
Corporate Debt	15.6%	15.5%	0.1%
Preferred	0.0%	0.0%	0.0%
Duration	3.73	3.81	-0.07
N. America	59.4%	59.0%	0.00
Europe	11.1%	11.3%	0.00
Asia	26.8%	26.8%	0.00
Other	3.9%	4.0%	0.00
FX (USD)	29.6%	30.0%	-0.4%
Beta <sup>2</sup>	76.0%	75.8%	0.2%
Protection	-40.5%	-39.2%	-1.3%
Correlation	87.4%	86.7%	0.6%
Yield <sup>3</sup>	2.41%	2.41%	0.00%
ETF Holdings	24	24	0
Volatility <sup>4</sup>	7.95%	7.95%	-0.01%
CAD	1.3505	1.3485	0.1%

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

The portfolio is in RISK-OFF Mode: The FOMC and Yellen believes they have accomplished their soft-landing mission. This week we get an update from the FOMC, which we expect will push back on rate cut expectations given strength of the economy, but recognize the improving inflation outlook. We also get the next QRA and we expect Treasury will utilize the negative risk premiums on long bonds to increase issuance. Overall, these event risk support our risk-off positioning. We are also seeing forward based EPS estimates fall. We rebalanced some equity exposure (ZEA, ZUE) exposure on a strong recent performance and added to cash (ZMMK) to move back to 80:20. On the duration front, as yield back up again into huge Treasury supply, we will extend duration to the MAX again. Targeting UST 10s and 30s back above 4.50%. We see little value below 4.00% and have reduced duration accordingly in recent weeks.

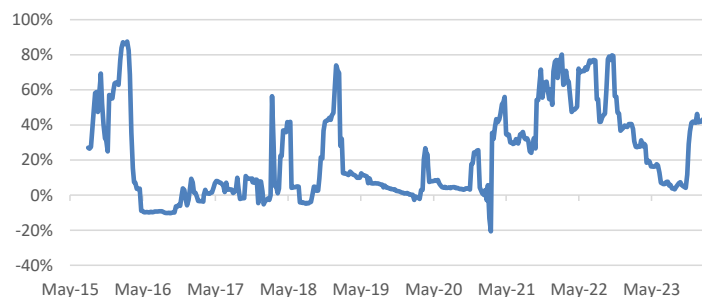
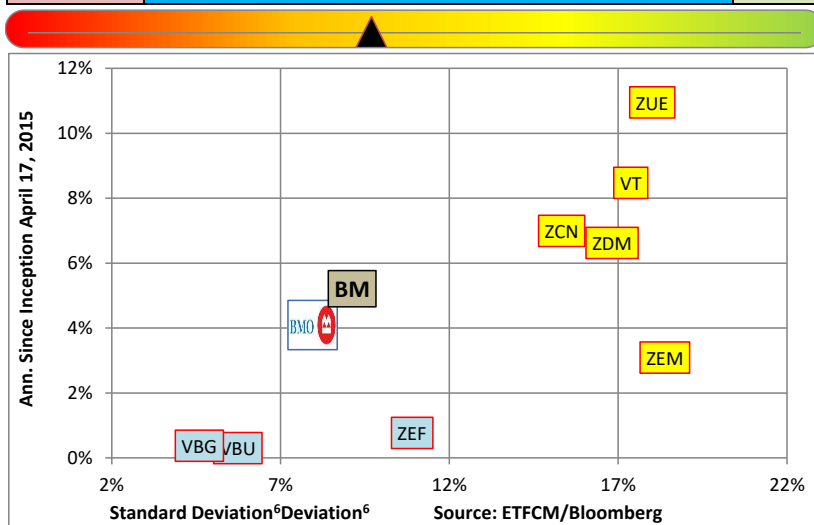
### Performance (A-Series) as of (02/23/24)

Total Return	Net	Gross
YTD	-0.57%	-0.29%
Prev. Month	1.34%	1.50%
Prev. Quarter	3.17%	3.65%
Prev. Year	2.16%	4.08%
Ann. SI (04/17/15)	2.17%	4.09%
Sharpe Ratio		0.51

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

Upside	21%
Down	41%
Mths Up	63
Mths Dn	42

Risk-Off Core Portfolio Beta: 76.0% Risk-On Net Risk Level Risk-Off

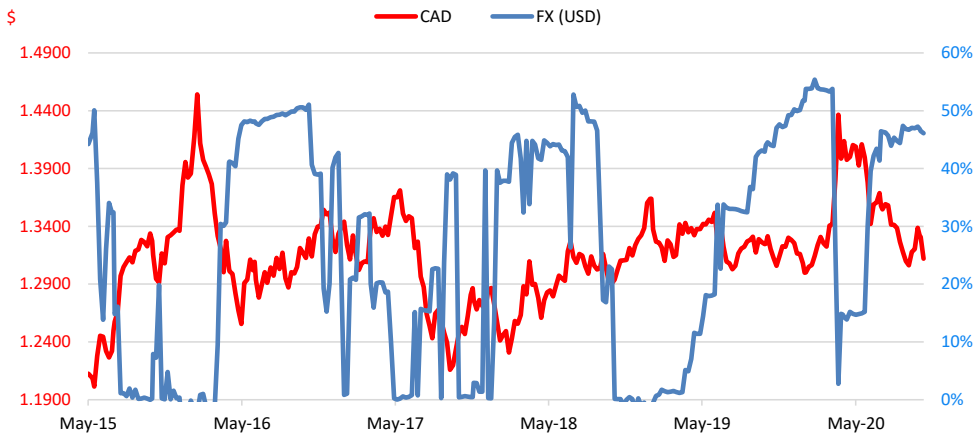


### PRO-EYES Indicators

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 76.0%. The degree of delta protection is -40% 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.

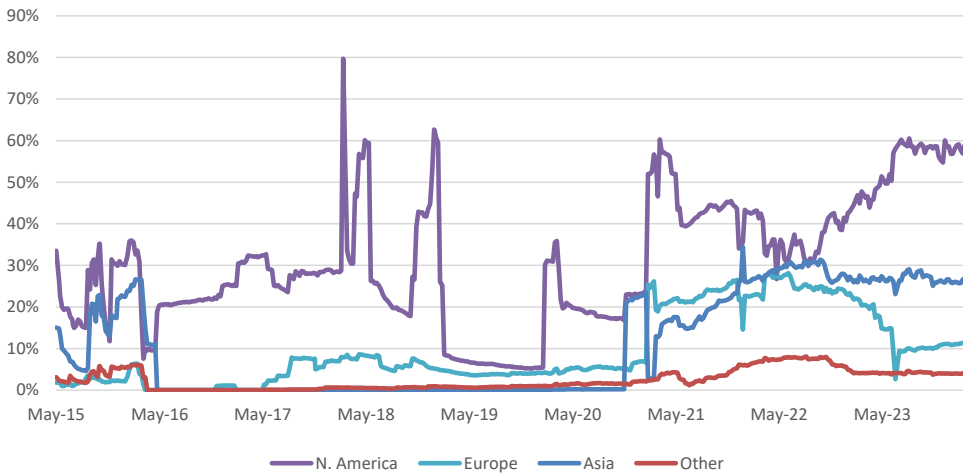
## Tactical Asset Allocation

### Tactical FX Exposure (USD): 29.6%



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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