BMO Mutual Funds

BMO Tactical Global Growth ETF Fund

ETF CAPITAL MANAGEMENT

Core Tactical/Strategic Portfolio Outlook/Adjustments

Our tactical style looks to sell high and buy low. This week we trimmed gold equity exposure (GDX). We look to add to other thematic sectors into expected weakness in the coming weeks. The challenge with growth sectors is the likely contracting multiple under a rising rate environment, so buying weakness makes sense over trying to chase the rallies, that will most likely fail for a while longer. Gold is a cyclical not a growth sector, so the lens is a bit different from a driver perspective. We are maintaining our volatility dampening hedges and look to cover near recent lows at a minimum. We can make a strong case that the S&P 500 dips below 500 in the coming quarters. Seasonality patterns are very poor for the next until Q4 and after the US election.

Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	19.2%
RSP	Invesco S&P 500 Equal Weight ETF	17.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	13.3%
ZEM	BMO MSCI Emerging Markets Index ETF	7.3%
FLGB	Franklin FTSE United Kingdom ETF	5.7%
KWEB	KraneShares CSI China Internet ETF	3.6%
URA	Global X Uranium ETF	3.5%
FLJH	Franklin FTSE Japan Hedged ETF	3.2%
GDX	VanEck Gold Miners ETF/USA	3.2%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	2.7%
MJ	ETFMG Alternative Harvest ETF	2.5%
PAVE	Global X US Infrastructure Development ETF	2.3%
ZCLN	BMO Clean Energy Index ETF	2.2%
FLIN	Franklin FTSE India ETF	2.0%
VNM	VanEck Vietnam ETF	2.0%
KBA	KraneShares Bosera MSCI China A 50 Connect Index ETF	1.9%
FLBR	Franklin FTSE Brazil ETF	1.6%
FLKR	Franklin FTSE South Korea ETF	0.9%
EIDO	iShares MSCI Indonesia ETF	0.9%
FLMX	Franklin FTSE Mexico ETF	0.7%

Macro Market Strategy

The rally back up to resistance zones has us adding back some volatility protection to the portfolio. We look to add more on strength and reduce on weakness. We think this is a very two-way market for the next few months. Once QT starts, we would be more concerned that equity risk premiums will rise and multiples will contract. For now, the FOMC tells us they have the tools to navigate a soft landing and the market believes them. The risk of a policy mistake is significant. But positions got very defensive and so market was capable of recovering some of the damage. The Street narrative has turned very hawkish recognizing how far the FOMC is behind the curve. The eurodollar curve shows aggressive tightening into mid 2023 followed by an easing cycle. This means the money market sees a recession. The stock market multiple clearly does not. Which market is correct?

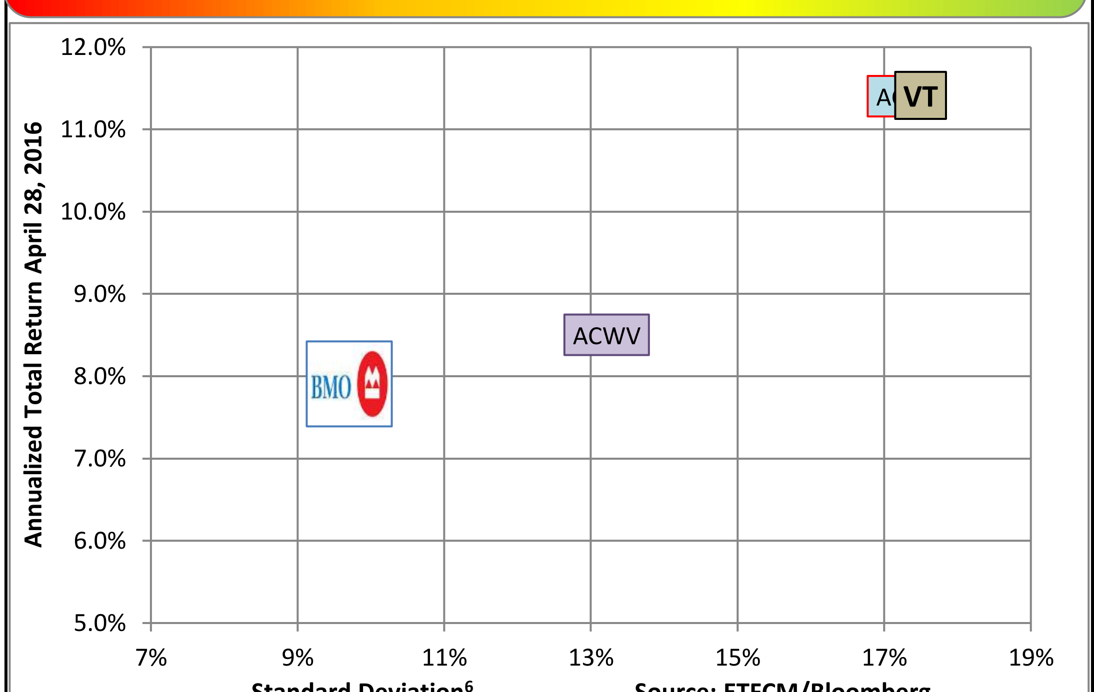
Chart of the Week

PRO-EYES - Berman's Call	Risk Level	Medium

The core portfolio beta is 92.7%. The degree of delta protection is -25% while the value of beta protection is 50%.

The tactical PRO-EYEs factor has moved off the most oversold since the extremes of COVID, but the big picture suggests end of cycle risks which means rallies should be sold and the market can offer good two-way trade opportunities. Increase the tactical focus and bring out the end of cycle playbook until inflation cools and there is visibility to the end of the rate hike cycle. Forward money market curves suggest easing in 2024 and beyond. The next year or two will likely be extremely choppy.

Defense	Core Portfolio Beta: 92.7%	Offense



Performance Metrics (A-Series) as of (04/14/22)

Total Return	Net	Gross	Upside/Downside[5]	
YTD	2.11%	2.64%	Upside	20%
Prev. Qtr.	2.08%	2.56%	Downside	28%
Prev. Year	6.59%	8.51%	Months Up	51
Since Inception	41.65%	52.58%	Months Dn	19
Ann. SI (04/28/16)	5.99%	7.91%		
Sharpe Ratio		0.81		

Fund Codes: Advisor BMO99762; F-Class BMO95762

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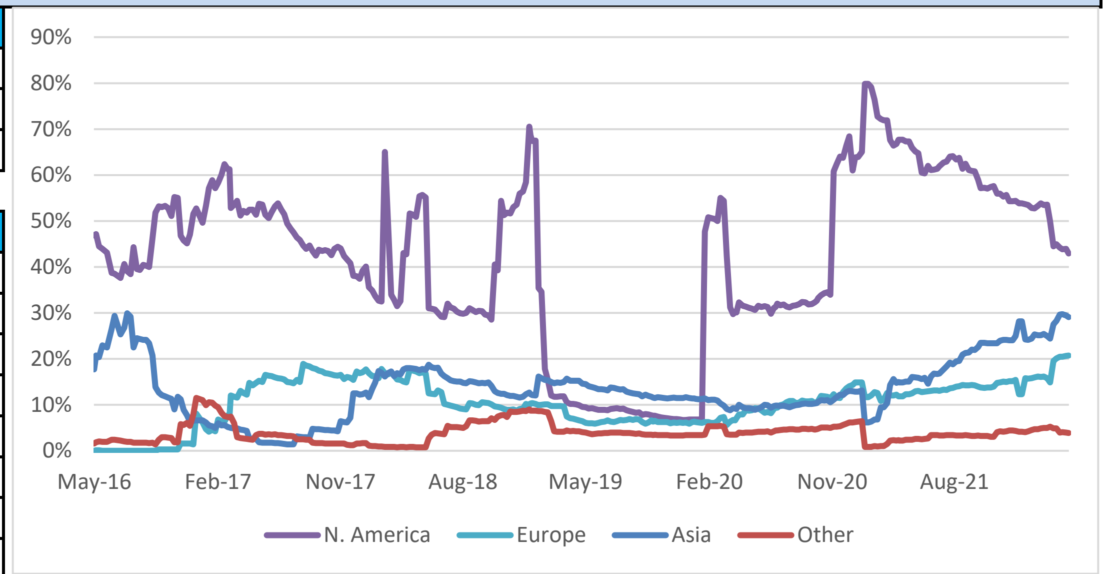
Tactical Asset Allocation

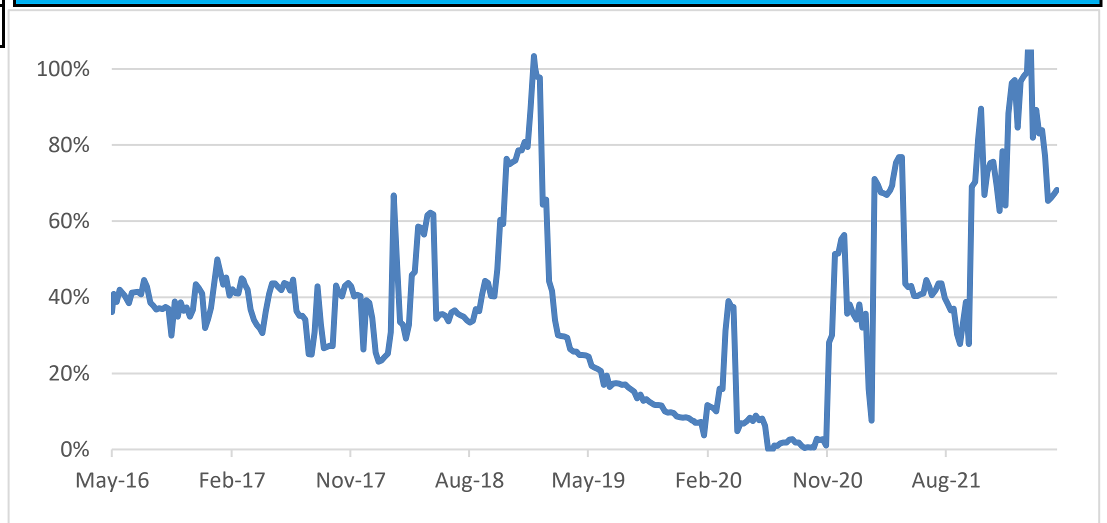
Equity	N. America	Europe	Asia	Other
04/14/22	42.9%	20.7%	29.1%	3.9%
04/08/22	43.9%	20.7%	29.5%	4.0%
Change	-1.0%	0.1%	-0.4%	-0.1%

Sector	04/14/22	04/08/22	Change	BM
Basic Materials	13.19%	14.42%	-1.2%	4.4%
Communications	8.83%	8.96%	-0.1%	11.7%
Consumer, Cyclical	9.78%	9.84%	-0.1%	10.8%
Consumer, Non-cyclical	18.99%	18.93%	0.1%	19.0%
Energy	5.35%	5.32%	0.0%	4.2%
Financial	16.13%	16.04%	0.1%	19.0%
Government	0.03%	0.03%	0.0%	19.0%
Industrial	11.05%	11.05%	0.0%	10.2%
Technology	9.06%	9.28%	-0.2%	17.9%
Utilities	4.09%	4.08%	0.0%	2.7%

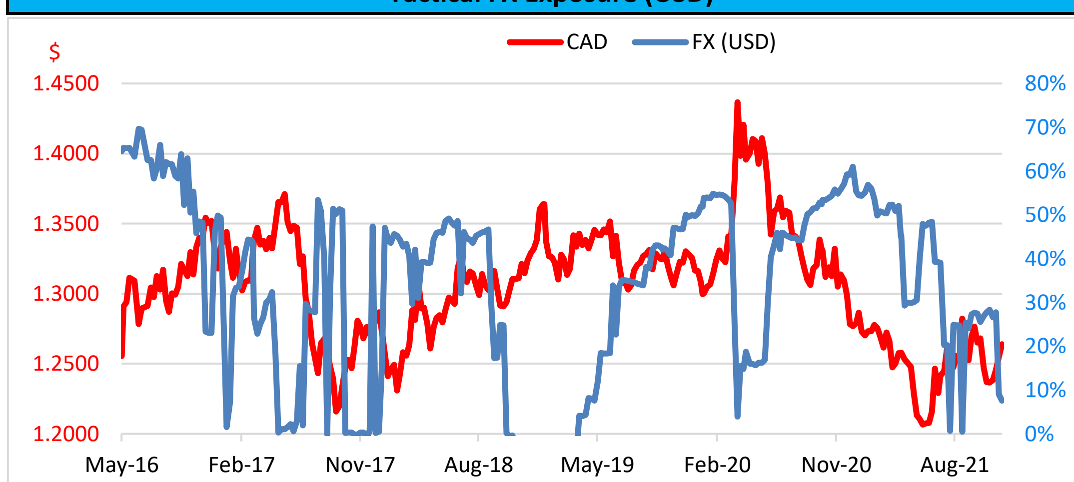
As of: Apr 14 2022	04/14/22	04/08/22	Change
FX (USD)	9.8%	9.8%	0.0%
Beta[2]	92.7%	93.6%	-0.9%
Protection (Delta)	-24.5%	-26.4%	1.9%
Correlation	72.8%	73.9%	-1.1%
Yield[3]	2.37%	2.37%	0.00%
ETF Holdings	21	21	0
Volatility[4]	9.71%	9.73%	-0.02%
CAD	1.2610	1.2572	0.3%



Net Beta (Core - Protection): 68.2%



Tactical FX Exposure (USD)



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