



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We finally saw a test of the 200-day average last week and we took profits on our protection position looking for an oversold rally into the FOMC and big tech earnings the next few weeks. We look to add back protection on rallies. Our PRO-EYES indicator is at the most opportunistic levels in over one year, so a bounce is likely. We do see 2022 as a defensive backdrop with inflation and less monetary and fiscal accommodation as the backdrop. In Europe and China, they are keeping stimulus efforts in place and so our tilt to international value should continue to help. Our equal weight S&P 500 exposure is adding over 180 bps (less bad) so far in 2022. After last week's stampede, there's not much up on the year beyond energy, where we remain overweight.

Macro Market Strategy

We expect the FOMC this week not to rock the boat given somewhat tenuous financial conditions. Though not acute enough to change policy, Mr. Powell will likely walk back some of the hawkish region Fed hawkishness in recent week. Earnings growth momentum is slowing (see chart of the week), so it will be important to see how large tech responds to earnings and outlooks. No doubt the multiple will continue to contract as long as the Fed is reducing accommodation and fiscal stimulus is hard to pass. Biden has failed so far to pass much of his ambitious agenda and while his coattails were never long, they are splintering big time in a mid-term election year, which tends to be the worst of the 4 in the presidential cycle.

PRO-EYES - Berman's Call

Risk Level Medium

The current core portfolio beta is 96.8%. The current degree of beta protection is about 0%.

When the PRO EYES indicator is at elevated levels (above 75%), we will have a maximum hedge on the portfolio. When it's above 70% in the cautionary zone, we will have a partial hedge on the portfolio. Current readings are neutral. We are expecting that risk factors will increase in the next few months as earnings expectations are improving and higher market levels increase risk factors. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

Performance Metrics (A-Series) as of (01/21/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-3.08%	-2.97%	Upside	19%
Prev. Qtr.	-3.65%	-3.17%	Downside	29%
Prev. Year	5.10%	7.02%	Months Up	50
Since Inception	34.46%	44.97%	Months Dn	17
Ann. SI (04/28/16)	5.28%	7.20%		
Sharpe Ratio		0.85		

Fund Codes: Advisor BMO99762; F-Class BMO95762

Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	17.4%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	14.9%
GDX	VanEck Gold Miners ETF/USA	7.4%
FLGB	Franklin FTSE United Kingdom ETF	5.8%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	5.6%
ZEM	BMO MSCI Emerging Markets Index ETF	5.6%
ZEA	BMO MSCI EAFE Index ETF	5.5%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	4.8%
XLE	Energy Select Sector SPDR Fund	4.1%
FLJH	Franklin FTSE Japan Hedged ETF	3.2%
URA	Global X Uranium ETF	2.6%
FLBR	Franklin FTSE Brazil ETF	2.5%
KWEB	KraneShares CSI China Internet ETF	2.3%
PAVE	Global X US Infrastructure Development ETF	2.2%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.1%
VNM	VanEck Vietnam ETF	2.1%
FLIN	Franklin FTSE India ETF	2.0%
ZCLN	BMO Clean Energy Index ETF	2.0%
MJ	ETFMG Alternative Harvest ETF	1.9%
FLMX	Franklin FTSE Mexico ETF	1.4%

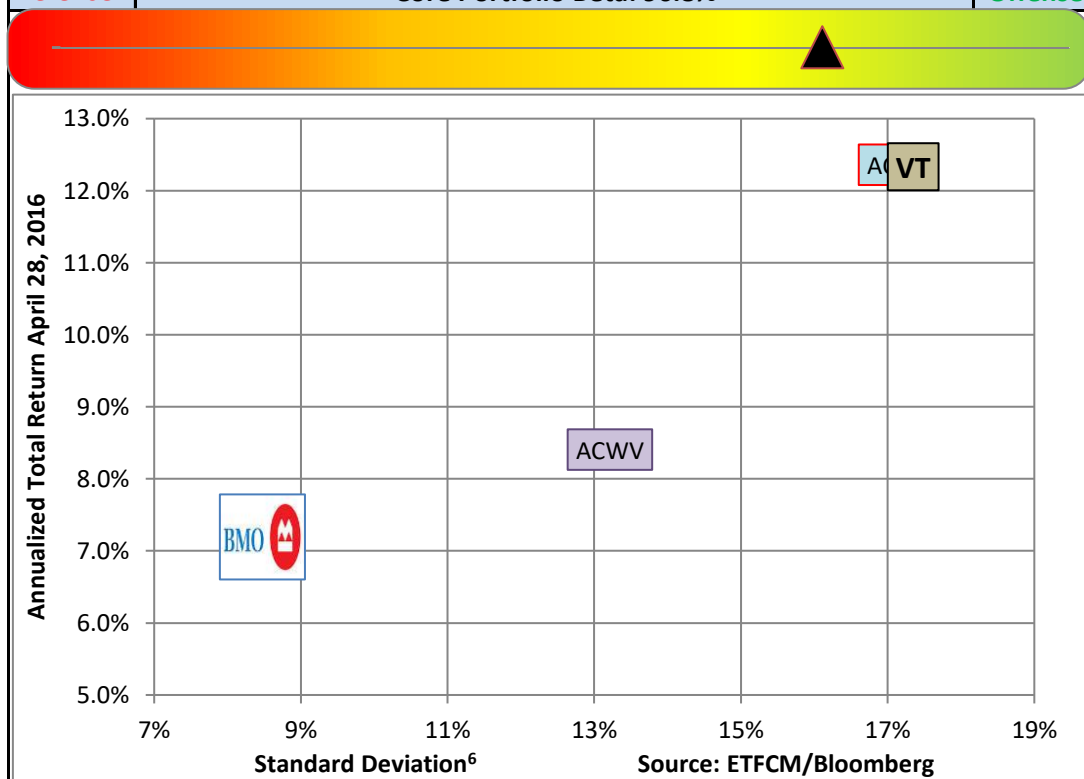
Chart of the Week



Defense

Core Portfolio Beta: 96.8%

Offense

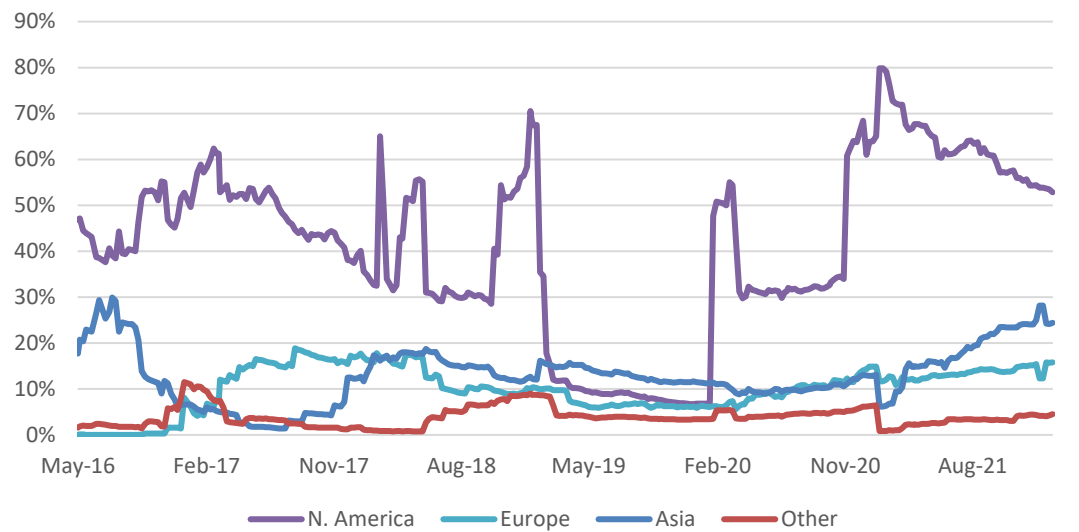

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Tactical Asset Allocation

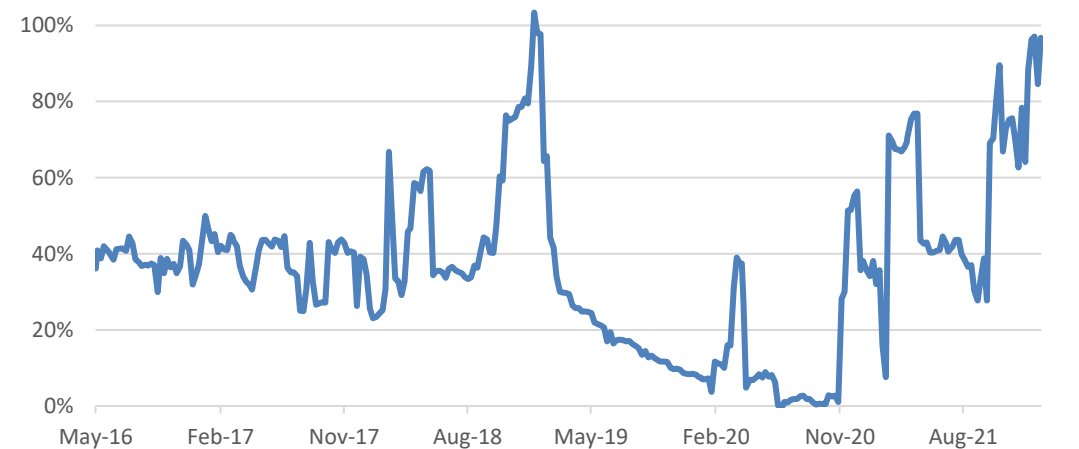
Equity	N. America	Europe	Asia	Other
01/21/22	52.9%	15.8%	24.4%	4.5%
01/14/22	53.5%	15.7%	24.1%	4.3%
Change	-0.6%	0.1%	0.3%	0.2%

Sector	01/21/22	01/14/22	Change	BM
Basic Materials	18.30%	17.95%	0.4%	4.3%
Communications	7.98%	7.96%	0.0%	12.0%
Consumer, Cyclical	8.70%	8.81%	-0.1%	11.0%
Consumer, Non-cyclical	16.28%	16.27%	0.0%	19.3%
Energy	8.91%	8.85%	0.1%	3.6%
Financial	14.16%	14.24%	-0.1%	18.0%
Government	0.01%	0.02%	0.0%	18.0%
Industrial	10.55%	10.72%	-0.2%	10.4%
Technology	8.92%	9.10%	-0.2%	18.6%
Utilities	3.64%	3.56%	0.1%	2.7%

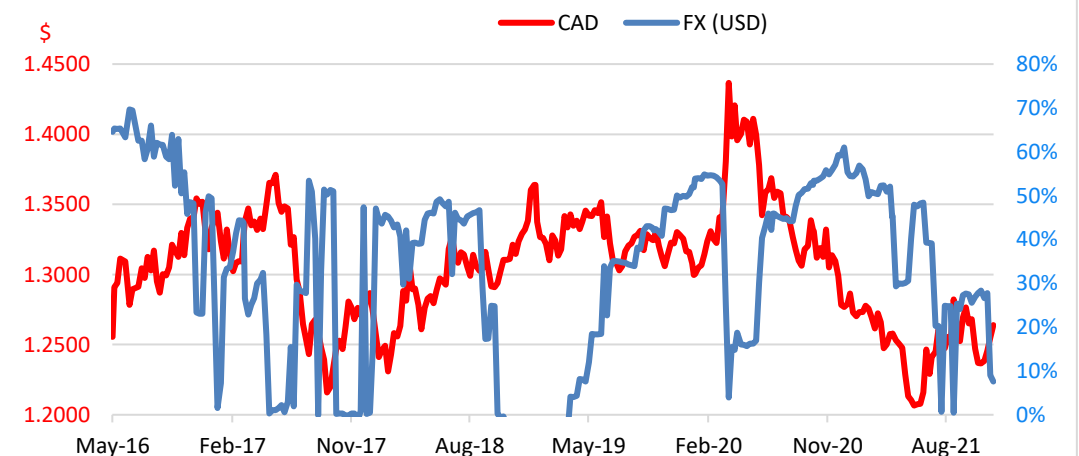
As of: Jan 21 2022	01/21/22	01/14/22	Change
FX (USD)	4.5%	5.9%	-1.4%
Beta ²	96.8%	97.0%	-0.2%
Protection (Delta)	0.0%	-12.4%	12.4%
Correlation	79.0%	79.4%	-0.4%
Yield ³	2.31%	2.22%	0.09%
ETF Holdings	23	23	0
Volatility ⁴	8.48%	8.88%	-0.40%
CAD	1.2581	1.2552	0.2%



Net Beta (Core - Protection): 96.8%



Tactical FX Exposure (USD)



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