



# BMO Tactical Global Growth ETF Fund

## Core Tactical/Strategic Portfolio Outlook/Adjustments

With the PRO-EYEs indicators flashing high caution signals, we are well positioned to protect the portfolio. We have been in high defense mode since February and see no reason to change that positioning. Our macro models suggest a high probability of a hard landing. Unless valuation improves, a defensive stance makes the most sense. Last week, we saw some negative news in the solar sector and it offered an opportunity to add to exposure with ZCLN. We are structural longer-term bulls on clean energy.

## Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	15.0%
ZEM	BMO MSCI Emerging Markets Index ETF	13.5%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	13.1%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	8.8%
ZUT	BMO Equal Weight Utilities Index ETF	6.9%
KWEB	KraneShares CSI China Internet ETF	4.8%
CIBR	First Trust NASDAQ Cybersecurity ETF	3.7%
XBI	SPDR S&P Biotech ETF	3.5%
URA	Global X Uranium ETF	3.2%
FLKR	Franklin FTSE South Korea ETF	3.2%
ZCLN	BMO Clean Energy Index ETF	3.0%
FLGB	Franklin FTSE United Kingdom ETF	2.9%
XLP	Consumer Staples Select Sector SPDR Fund	2.8%
FLIN	Franklin FTSE India ETF	2.4%
FINX	Global X FinTech ETF	2.4%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.1%
VNM	VanEck Vietnam ETF	1.9%
EIDO	iShares MSCI Indonesia ETF	1.8%
GDX	VanEck Gold Miners ETF/USA	1.6%
FLBR	Franklin FTSE Brazil ETF	1.6%

## 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. Debt financing is being done in the Bills market, which is favourable for risk premiums. While the behaviour of the tape is encouraging as breadth improves, the leadership stocks remain at extreme valuations. We expect central banks' message of higher for longer should eventually cause a hard landing. The end of the business cycle is a process not an event. We maintain a high degree of protection in the portfolio, which has been a negative in Q2. The market is looking forward to an easing cycle and we believe inflation trends will limit the ability to stimulate compared to past cycles (post 1980s).

## Chart of the Week



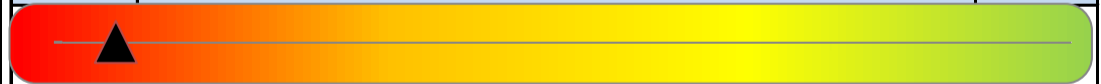
## PRO-EYEs Indicators

**Risk Level** Low-Med

The core portfolio beta is 89.7%. The degree of delta protection is -69% while the value of beta protection is 72% 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.

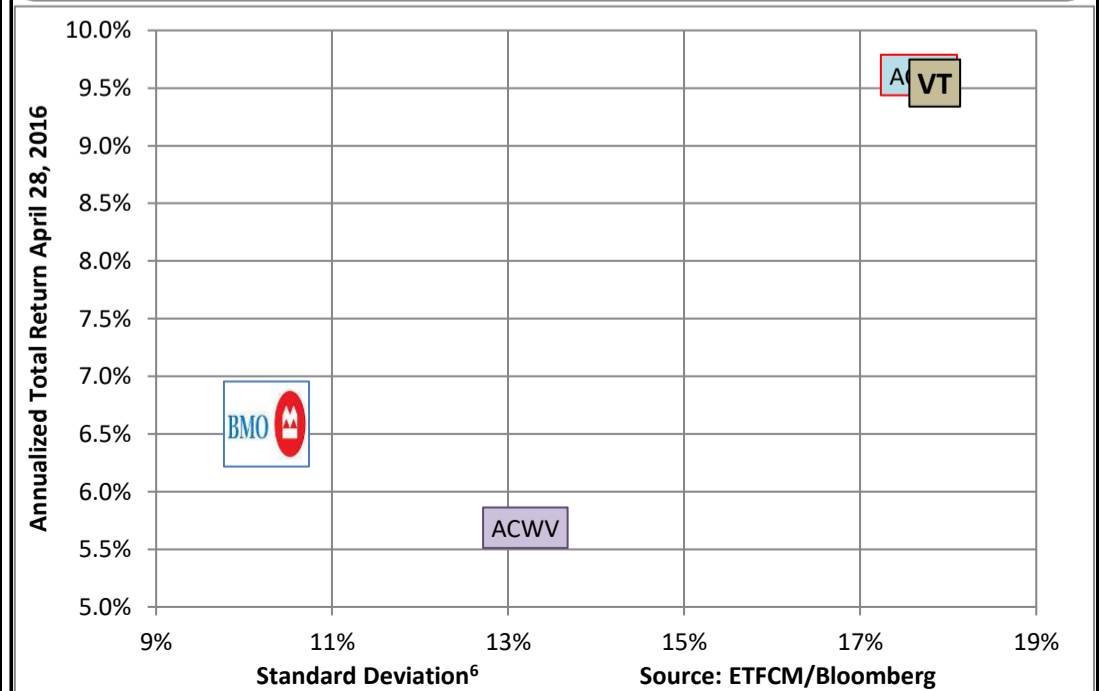
## Defense Core Portfolio Beta: 89.7% Offense



## Performance Metrics (A-Series) as of (07/27/23)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	3.50%	4.55%	Upside	19%
<b>Prev. Qtr.</b>	-0.27%	0.20%	Downside	31%
<b>Prev. Year</b>	7.47%	9.39%	Months Up	58
<b>Since Inception</b>	39.32%	52.60%	Months Dn	27
<b>Ann. SI (04/28/16)</b>	4.67%	6.59%		
<b>Sharpe Ratio</b>		0.64		

Fund Codes: Advisor BMO99762; F-Class BMO95762



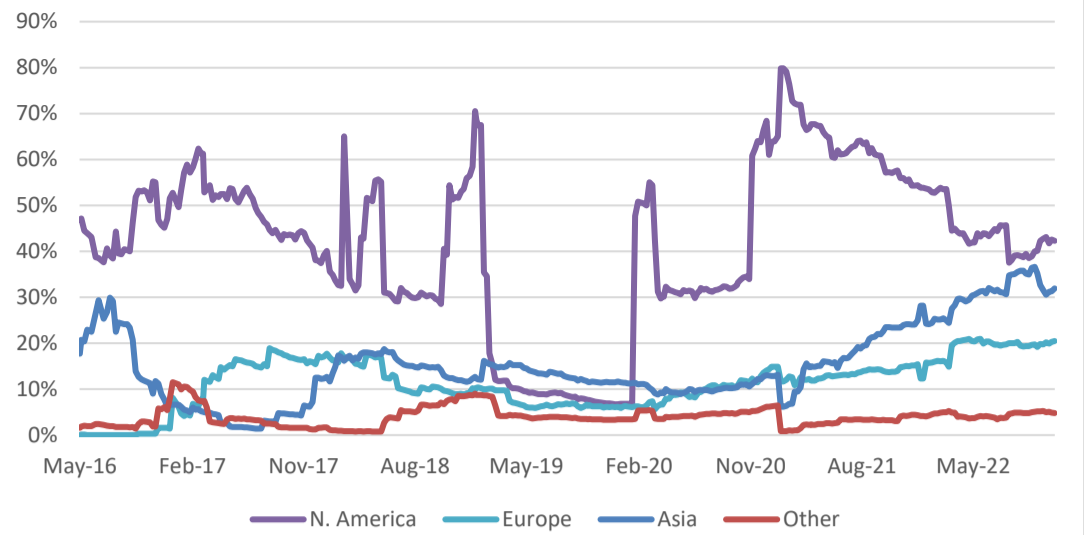
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## Tactical Asset Allocation

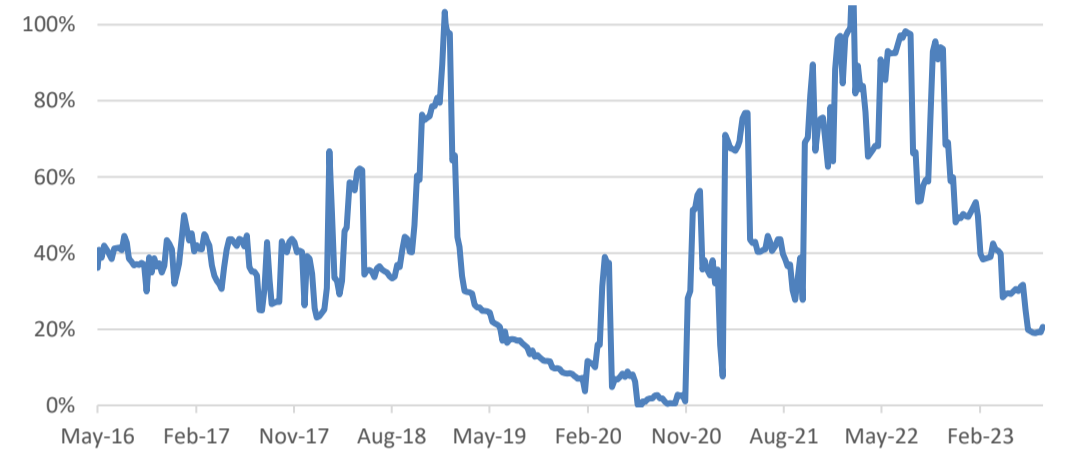
Equity	N. America	Europe	Asia	Other
07/27/23	52.1%	14.5%	32.2%	4.5%
07/21/23	52.1%	14.1%	31.3%	4.3%
Change	0.1%	0.4%	0.9%	0.2%

Sector	07/27/23	07/21/23	Change	BM
Basic Materials	7.80%	7.60%	0.2%	4.0%
Communications	10.55%	10.06%	0.5%	10.4%
Consumer, Cyclical	8.63%	8.61%	0.0%	11.0%
Consumer, Non-cyclical	20.59%	20.69%	-0.1%	19.7%
Energy	5.36%	5.00%	0.4%	4.8%
Financial	13.92%	13.52%	0.4%	16.7%
Government	2.16%	2.17%	0.0%	16.7%
Industrial	10.09%	9.99%	0.1%	10.7%
Technology	13.65%	13.62%	0.0%	19.8%
Utilities	10.48%	10.49%	0.0%	2.8%

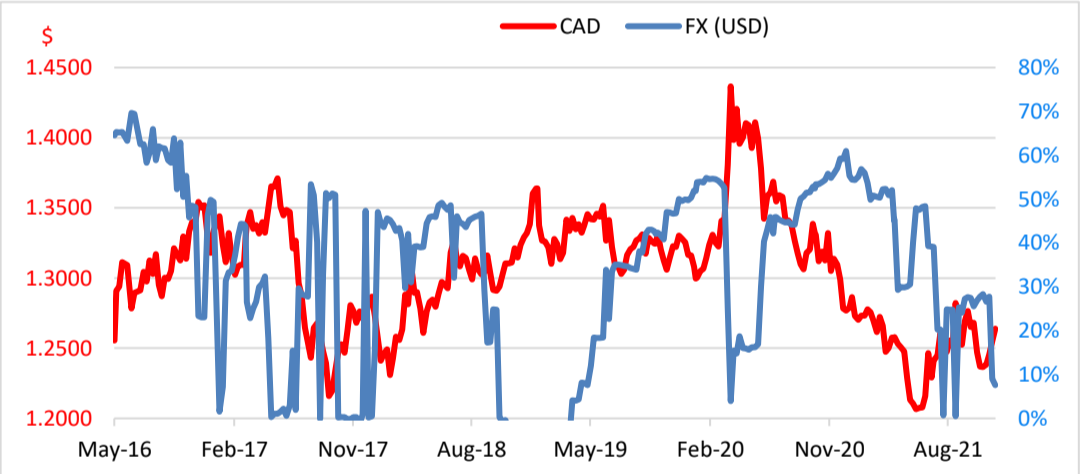
As of: Jul 27 2023	07/27/23	07/21/23	Change
FX (USD)	25.0%	23.8%	1.2%
Beta <sup>2</sup>	89.7%	88.3%	1.4%
Protection (Delta)	-69.1%	-69.1%	0.0%
Correlation	72.9%	71.4%	1.4%
Yield <sup>3</sup>	2.35%	2.37%	-0.02%
ETF Holdings	24	24	0
Volatility <sup>4</sup>	10.26%	10.25%	0.00%
CAD	1.3237	1.3224	0.1%



**Net Beta (Core - Protection): 20.6%**



**Tactical FX Exposure (USD)**



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