



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We made no trades in the portfolio last week. We are looking to add exposure to some oversold areas that should do well in a hard landing scenario. Gold (GDX) stands out to us as the key sector here. When the FOMC is able to cut rates again, odds are we see negative real yields again. The caveat is the fear of igniting inflation again. Another area of interest are the non-China EM markets. While we like China tech that will benefit from emerging Asia, we are increasingly concerned about China's longer-term growth challenges. We now have China in a tactical sleeve versus a strategic overweight. We see good value now, but longer-term underperformance is likely. Increasingly, India (FLIN) is a strategic overweight. Similar thinking for Vietnam and Thailand. We had shifted to Indonesia last year from Thailand. It's now time to switch back.

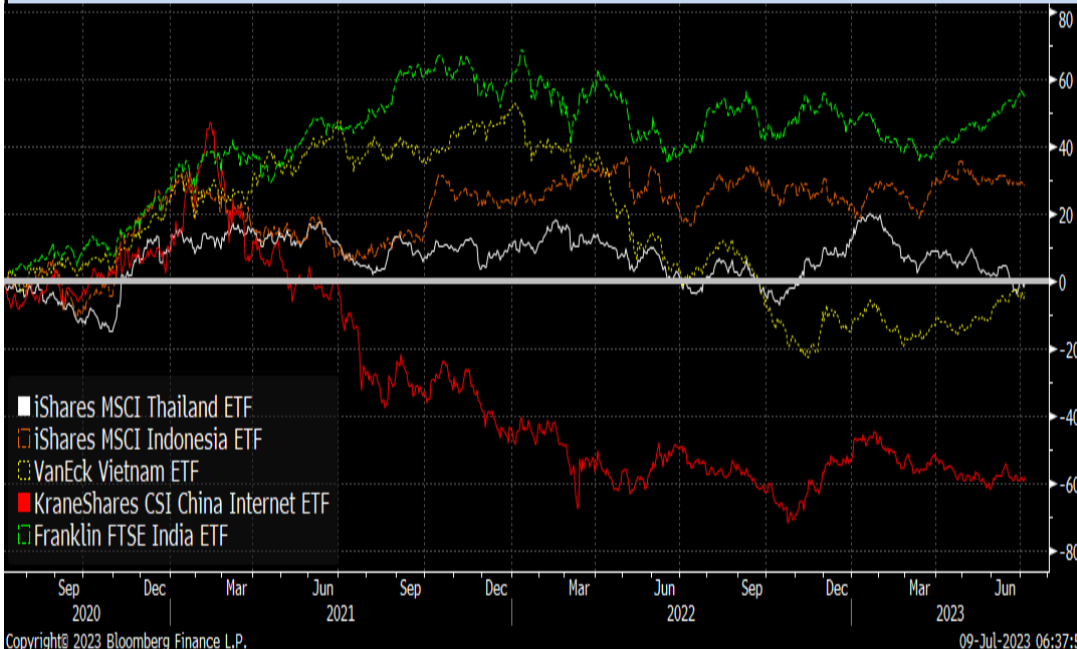
Top Holdings

| Ticker | Name | Position |
|--------|---|----------|
| RSP | Invesco S&P 500 Equal Weight ETF | 14.5% |
| ZEM | BMO MSCI Emerging Markets Index ETF | 12.7% |
| ZDM | BMO MSCI EAFE Hedged to CAD Index ETF | 12.6% |
| ZUE | BMO S&P 500 Hedged to CAD Index ETF | 9.3% |
| ZUT | BMO Equal Weight Utilities Index ETF | 6.8% |
| KWEB | KraneShares CSI China Internet ETF | 4.2% |
| CIBR | First Trust NASDAQ Cybersecurity ETF | 3.5% |
| XBI | SPDR S&P Biotech ETF | 3.4% |
| FLGB | Franklin FTSE United Kingdom ETF | 3.2% |
| URA | Global X Uranium ETF | 3.1% |
| FLKR | Franklin FTSE South Korea ETF | 3.0% |
| XLP | Consumer Staples Select Sector SPDR Fund | 2.7% |
| FLIN | Franklin FTSE India ETF | 2.4% |
| ZCLN | BMO Clean Energy Index ETF | 2.3% |
| FINX | Global X FinTech ETF | 2.2% |
| BOTZ | Global X Robotics & Artificial Intelligence ETF | 2.1% |
| EIDO | iShares MSCI Indonesia ETF | 1.8% |
| VNM | VanEck Vietnam ETF | 1.7% |
| 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 86.7%. The degree of delta protection is -68% while the value of beta protection is 73% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 0.

The tactical PRO-EYES factor suggests that while some caution is still warranted on business cycle and valuation and that we are likely in a bear market cycle, the tactical component suggests lots of two-way opportunity is likely. Low volatility and sentiment numbers suggests a high degree of caution from a tactical perspective.

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

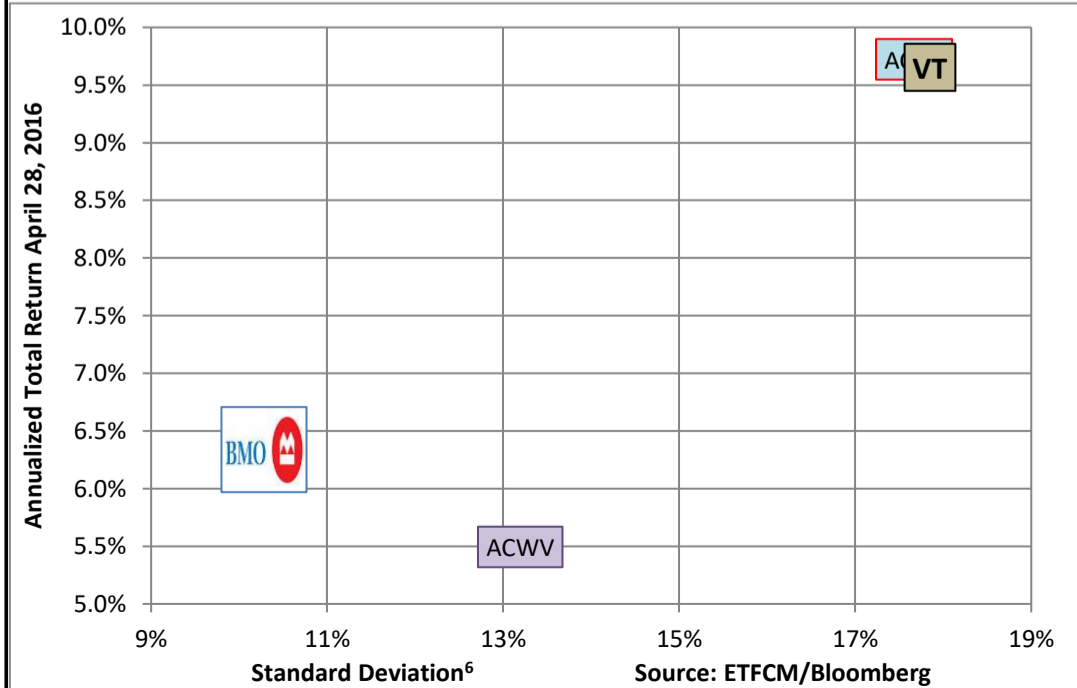
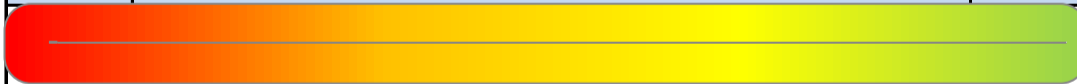
| Total Return | Net | Gross | Upside/Downside ⁵ | |
|---------------------------|--------|--------|------------------------------|-----|
| YTD | 1.49% | 2.44% | Upside | 18% |
| Prev. Qtr. | -2.11% | -1.64% | Downside | 31% |
| Prev. Year | 6.65% | 8.57% | Months Up | 58 |
| Since Inception | 36.62% | 49.79% | Months Dn | 27 |
| Ann. SI (04/28/16) | 4.42% | 6.34% | | |
| Sharpe Ratio | | 0.62 | | |

Fund Codes: Advisor BMO99762; F-Class BMO95762

Defense

Core Portfolio Beta: 86.7%

Offense



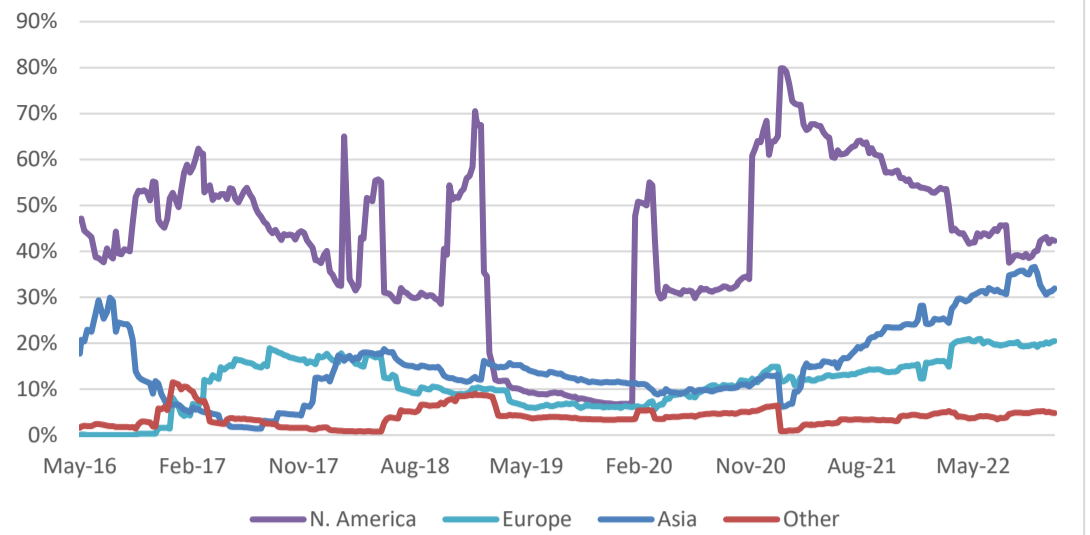
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Tactical Asset Allocation

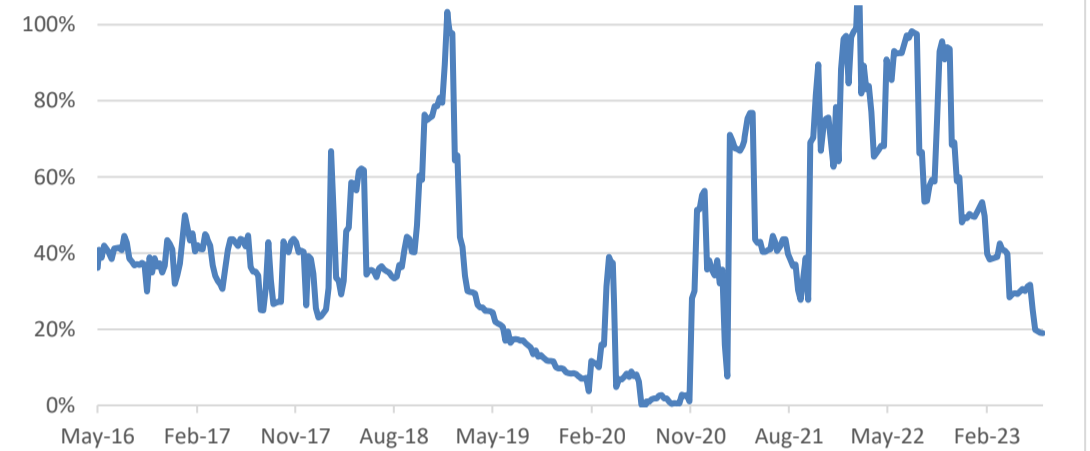
| Equity | N. America | Europe | Asia | Other |
|----------|------------|--------|-------|-------|
| 07/07/23 | 49.7% | 14.3% | 31.1% | 4.5% |
| 06/30/23 | 50.1% | 14.7% | 31.2% | 4.6% |
| Change | -0.5% | -0.4% | -0.1% | -0.1% |

| Sector | 07/07/23 | 06/30/23 | Change | BM |
|------------------------|----------|----------|--------|-------|
| Basic Materials | 7.61% | 7.71% | -0.1% | 4.1% |
| Communications | 10.01% | 10.02% | 0.0% | 10.5% |
| Consumer, Cyclical | 8.51% | 8.60% | -0.1% | 10.4% |
| Consumer, Non-cyclical | 20.56% | 20.80% | -0.2% | 20.0% |
| Energy | 5.07% | 5.11% | 0.0% | 4.8% |
| Financial | 14.62% | 14.69% | -0.1% | 17.4% |
| Government | 0.37% | 0.36% | 0.0% | 17.4% |
| Industrial | 9.79% | 9.94% | -0.1% | 10.5% |
| Technology | 12.93% | 13.03% | -0.1% | 19.3% |
| Utilities | 10.12% | 10.32% | -0.2% | 2.8% |

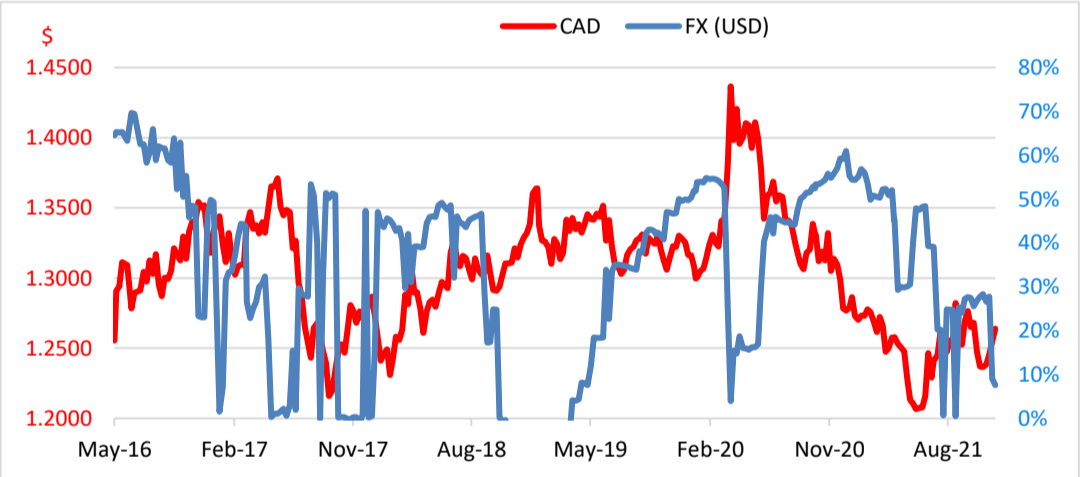
| As of: Jul 7 2023 | 07/07/23 | 06/30/23 | Change |
|-------------------------|----------|----------|--------|
| FX (USD) | 24.0% | 24.1% | -0.1% |
| Beta ² | 86.7% | 87.3% | -0.6% |
| Protection (Delta) | -67.7% | -68.3% | 0.6% |
| Correlation | 69.6% | 70.5% | -0.9% |
| Yield ³ | 2.40% | 2.40% | 0.00% |
| ETF Holdings | 24 | 24 | 0 |
| Volatility ⁴ | 10.29% | 10.29% | 0.00% |
| CAD | 1.3274 | 1.3257 | 0.1% |



Net Beta (Core - Protection): 19.0%



Tactical FX Exposure (USD)



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