



# BMO Tactical Global Growth ETF Fund

### Core Tactical/Strategic Portfolio Outlook/Adjustments

We have the most overbought readings in several years. The reversal risk is extreme. We are positioned at maximum defense through yearend. We made no trades last week.

### Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	14.0%
ZEM	BMO MSCI Emerging Markets Index ETF	12.6%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	12.6%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	9.1%
ZUT	BMO Equal Weight Utilities Index ETF	6.8%
KWEB	KraneShares CSI China Internet ETF	4.3%
XBI	SPDR S&P Biotech ETF	3.5%
CIBR	First Trust NASDAQ Cybersecurity ETF	3.5%
FLGB	Franklin FTSE United Kingdom ETF	3.2%
URA	Global X Uranium ETF	3.2%
FLKR	Franklin FTSE South Korea ETF	3.0%
XLP	Consumer Staples Select Sector SPDR Fund	2.7%
ZCLN	BMO Clean Energy Index ETF	2.3%
FLIN	Franklin FTSE India ETF	2.2%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.1%
FINX	Global X FinTech ETF	2.1%
EIDO	iShares MSCI Indonesia ETF	1.7%
GDX	VanEck Gold Miners ETF/USA	1.6%
VNM	VanEck Vietnam ETF	1.6%
FLBR	Franklin FTSE Brazil ETF	1.5%

### Macro Market Strategy

We think this is a very two-way market for the next few quarters with a bearish tilt. QT should start to weigh on risk premiums going forward, but there is massive cash balances sitting in the RRP to offset a significant impact. The FOMC's more aggressive path (higher for longer) is now facing some systemic risks as the rapid rate hikes that have impacted bank balance sheets have tightened financial conditions. We expect the FOMC to raise rates 25 bps at the May meeting and suggest more may be needed and that they remain data dependent. There are indications that the economy is weakening and the FOMC's own staff believe a recession is likely later in 2023. This does not mean they will ease until financial conditions tighten enough to remove the risk of inflation expectations increasing. We think this means economic pain in the labour markets, which we have not seen yet. "Gradually and then suddenly." Hemingway 1926.

### Chart of the Week



### PRO-EYES Indicators

**Risk Level** Low-Med

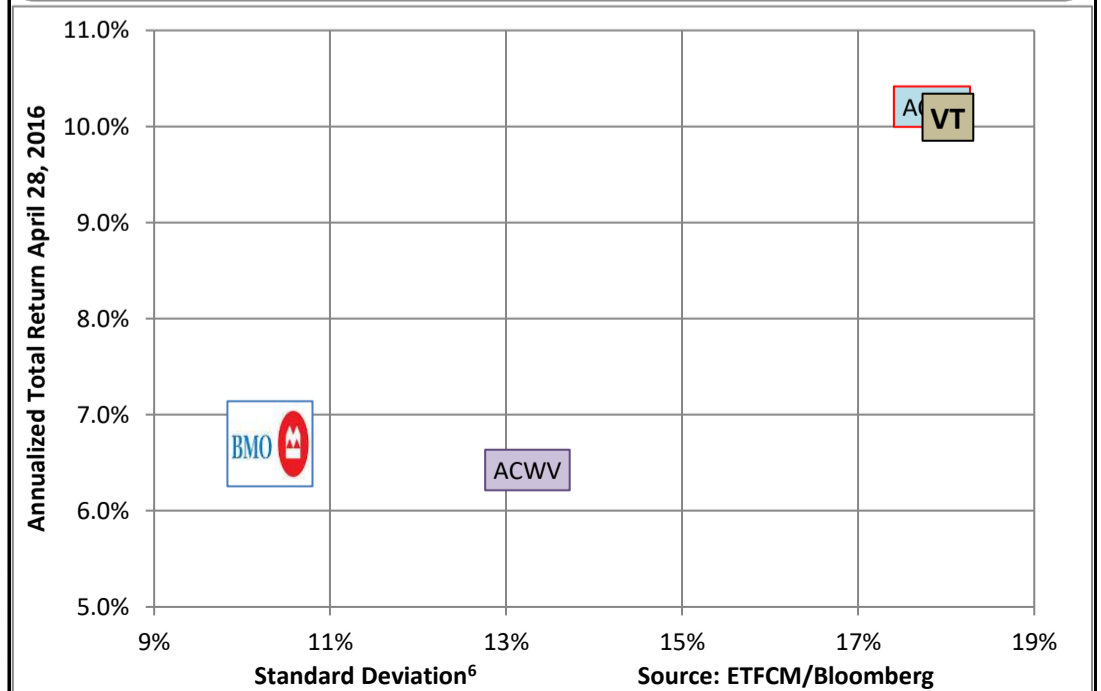
The core portfolio beta is 85.4%. The degree of delta protection is -66% while the value of beta protection is 70% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 0.

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.

**Defense** Core Portfolio Beta: 85.4% **Offense**

### Performance Metrics (A-Series) as of (06/16/23)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	3.75%	4.60%	Upside	19%
<b>Prev. Qtr.</b>	2.06%	2.54%	Downside	31%
<b>Prev. Year</b>	13.12%	15.04%	Months Up	58
<b>Since Inception</b>	39.65%	52.73%	Months Dn	26
<b>Ann. SI (04/28/16)</b>	4.78%	6.70%		
<b>Sharpe Ratio</b>		0.65		



Fund Codes: Advisor BMO99762; F-Class BMO95762

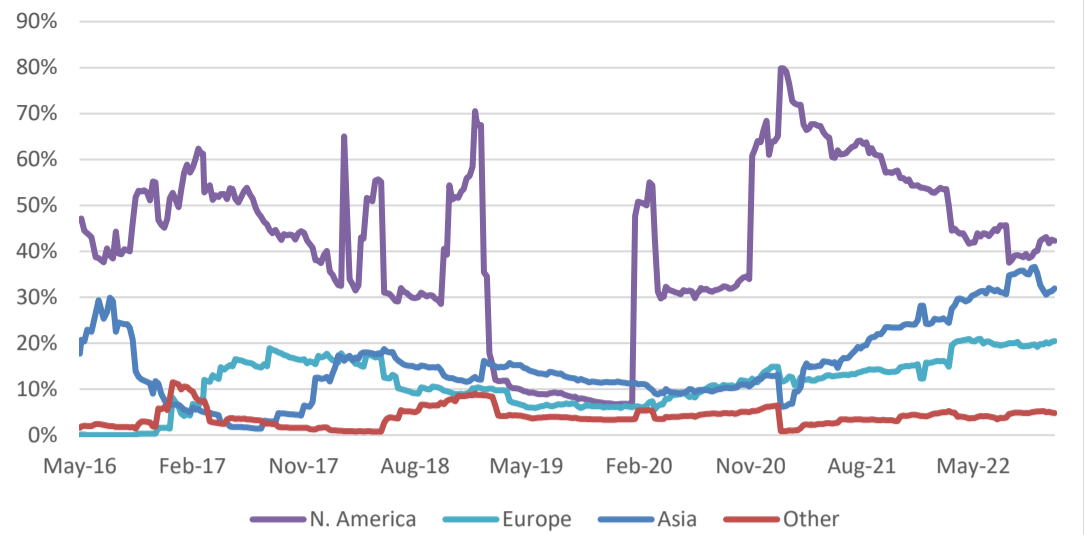
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## Tactical Asset Allocation

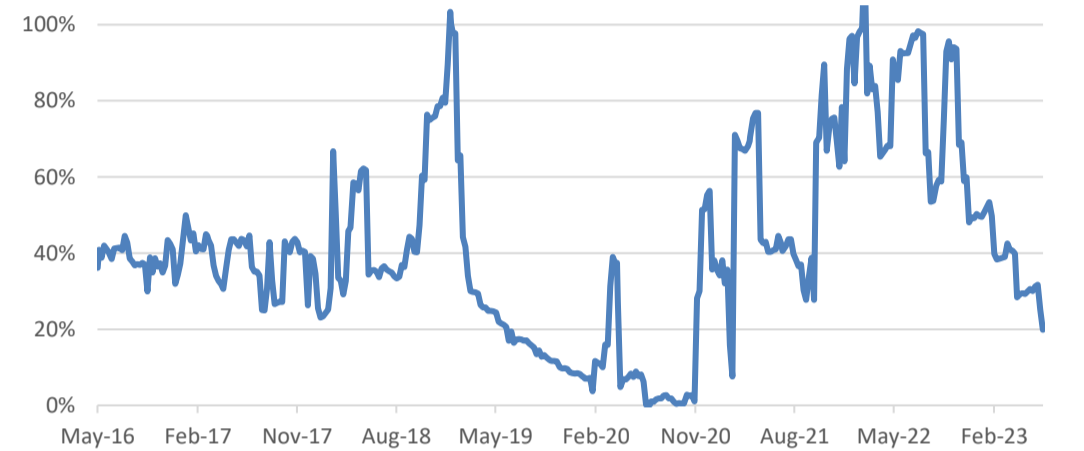
Equity	N. America	Europe	Asia	Other
06/16/23	48.5%	14.2%	31.1%	4.6%
06/09/23	49.8%	14.2%	31.1%	4.7%
Change	-1.3%	0.0%	0.0%	-0.1%

Sector	06/16/23	06/09/23	Change	BM
Basic Materials	7.61%	7.68%	-0.1%	4.3%
Communications	10.01%	10.02%	0.0%	10.1%
Consumer, Cyclical	8.09%	8.19%	-0.1%	10.6%
Consumer, Non-cyclical	20.35%	20.68%	-0.3%	20.9%
Energy	5.03%	5.11%	-0.1%	5.2%
Financial	14.42%	14.62%	-0.2%	17.3%
Government	0.34%	0.34%	0.0%	17.3%
Industrial	9.64%	9.70%	-0.1%	10.7%
Technology	12.79%	12.98%	-0.2%	17.9%
Utilities	10.03%	10.42%	-0.4%	2.9%

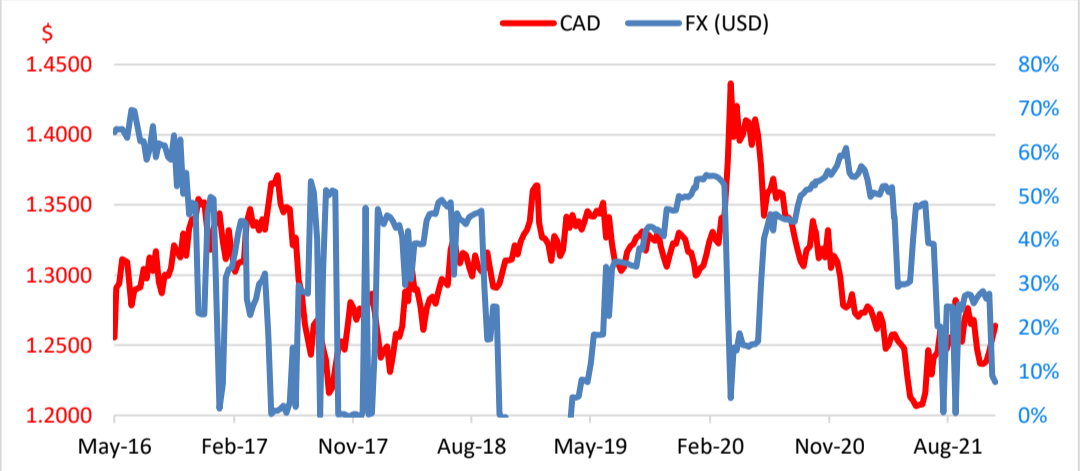
As of: Jun 16 2023	06/16/23	06/09/23	Change
FX (USD)	24.7%	7.4%	17.3%
Beta <sup>2</sup>	85.4%	90.5%	-5.1%
Protection (Delta)	-65.5%	-65.3%	-0.2%
Correlation	67.2%	69.3%	-2.1%
Yield <sup>3</sup>	2.32%	2.38%	-0.06%
ETF Holdings	24	24	0
Volatility <sup>4</sup>	10.32%	10.33%	-0.02%
CAD	1.3204	1.3341	-1.0%



**Net Beta (Core - Protection): 19.9%**



**Tactical FX Exposure (USD)**



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