



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We started to see a bit of selling in large cap tech and a broadening out of the rally last week as the market broke out of resistance around 4200 on the S&P 500. In theory, the 4200 area should act as strong support for a while so a close back below 4100 would be very bearish. Until that happens, the market is in a more positive mode. That said, we remain extremely cautious on the outlook and expect a hard landing still plays out. We cannot imagine that the FOMC managed to kill inflation without breaking the economy to do it given the extraordinary debt load and inequality issues at the core of decades of bad policy. The impacts of QT should be felt over the next two quarters, but it may require more chasing money in for the next top to develop. We made no adjustments last week.

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.

PRO-EYEs Indicators

Risk Level Low-Med

The core portfolio beta is 87.9%. The degree of delta protection is -56% while the value of beta protection is 5%. The weighted average cap is: 4400. The weighted average collar is: 4100. 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. The February and March weakness has moved the tactical component to oversold levels.

Performance Metrics (A-Series) as of (06/02/23)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	3.49%	4.27%	Upside	20%
Prev. Qtr.	-1.26%	-0.78%	Downside	31%
Prev. Year	1.82%	3.74%	Months Up	57
Since Inception	39.32%	52.32%	Months Dn	27
Ann. SI (04/28/16)	4.77%	6.69%		
Sharpe Ratio		0.65		

Fund Codes: Advisor BMO99762; F-Class BMO95762

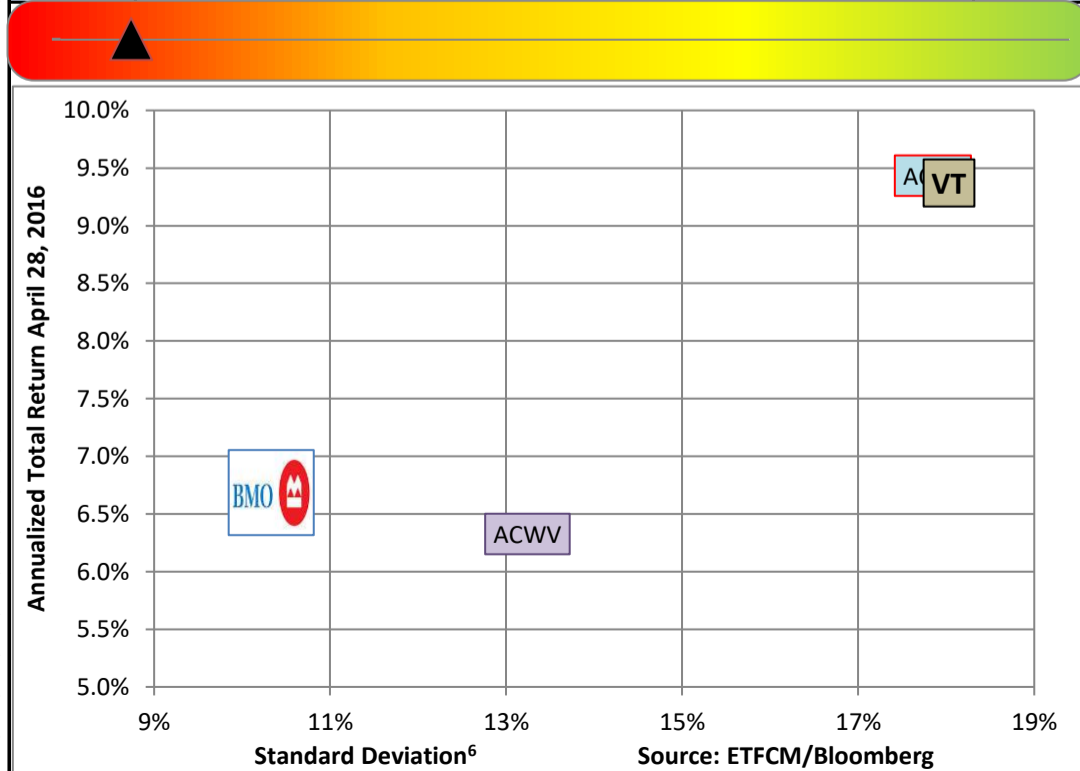
Top Holdings

Ticker	Name	Position
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	18.7%
ZEM	BMO MSCI Emerging Markets Index ETF	10.7%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	9.8%
RSP	Invesco S&P 500 Equal Weight ETF	9.6%
ZUT	BMO Equal Weight Utilities Index ETF	7.2%
KWEB	KraneShares CSI China Internet ETF	4.1%
XBI	SPDR S&P Biotech ETF	3.5%
CIBR	First Trust NASDAQ Cybersecurity ETF	3.4%
FLGB	Franklin FTSE United Kingdom ETF	3.3%
URA	Global X Uranium ETF	3.1%
XLP	Consumer Staples Select Sector SPDR Fund	2.7%
ZCLN	BMO Clean Energy Index ETF	2.4%
FLIN	Franklin FTSE India ETF	2.2%
FLJH	Franklin FTSE Japan Hedged ETF	2.1%
FINX	Global X FinTech ETF	2.1%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.0%
EIDO	iShares MSCI Indonesia ETF	1.8%
GDX	VanEck Gold Miners ETF/USA	1.7%
VNM	VanEck Vietnam ETF	1.6%
FLBR	Franklin FTSE Brazil ETF	1.5%

Chart of the Week



Defense Core Portfolio Beta: 87.9% **Offense**



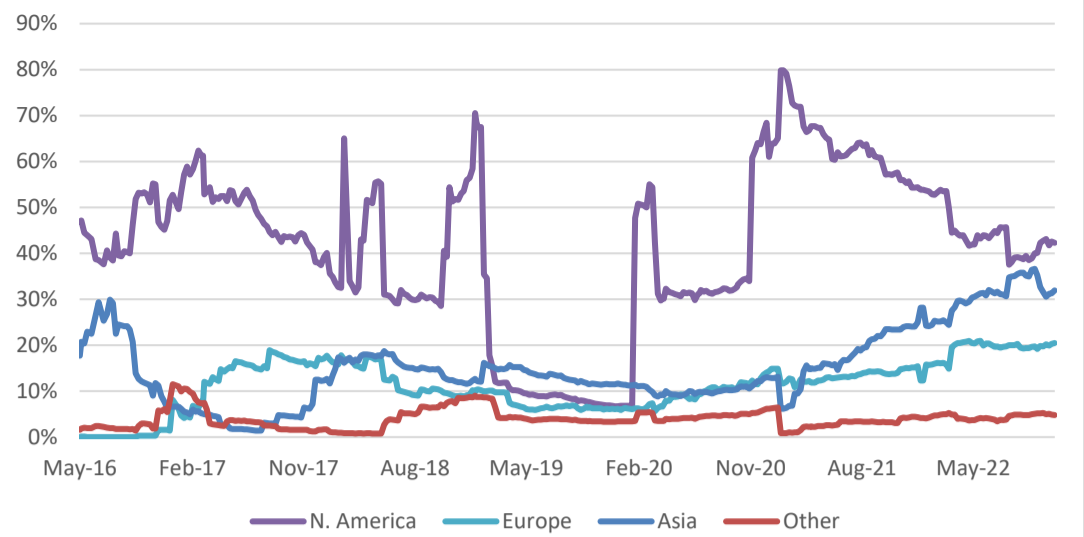
Advisor/Broker Use Only

Tactical Asset Allocation

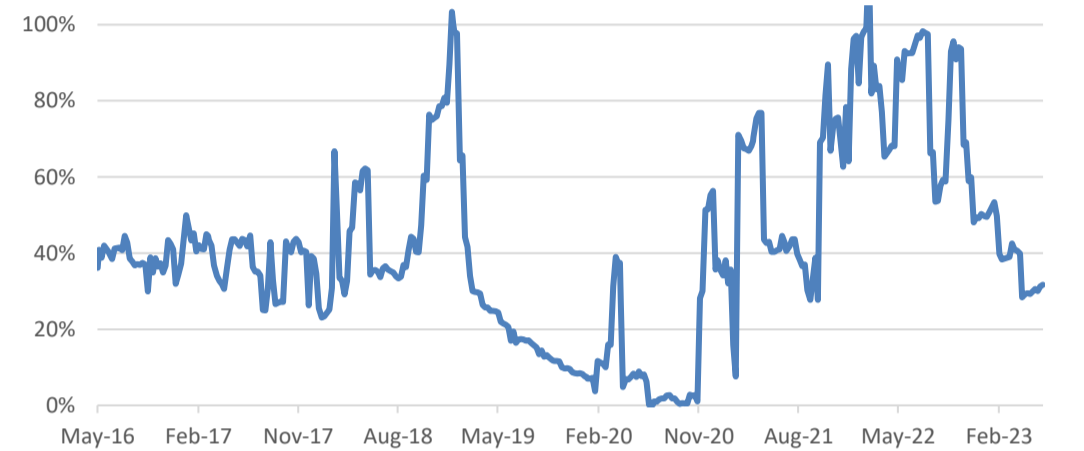
Equity	N. America	Europe	Asia	Other
06/02/23	45.3%	18.1%	31.6%	4.2%
05/26/23	45.1%	18.2%	31.6%	4.3%
Change	0.3%	-0.1%	0.1%	-0.1%

Sector	06/02/23	05/26/23	Change	BM
Basic Materials	7.59%	7.50%	0.1%	4.3%
Communications	9.42%	9.36%	0.1%	10.1%
Consumer, Cyclical	8.48%	8.57%	-0.1%	10.6%
Consumer, Non-cyclical	21.31%	21.58%	-0.3%	20.9%
Energy	4.95%	5.06%	-0.1%	5.2%
Financial	14.53%	14.64%	-0.1%	17.3%
Government	0.36%	0.36%	0.0%	17.3%
Industrial	9.96%	9.96%	0.0%	10.7%
Technology	12.29%	11.75%	0.5%	17.9%
Utilities	10.33%	10.34%	0.0%	2.9%

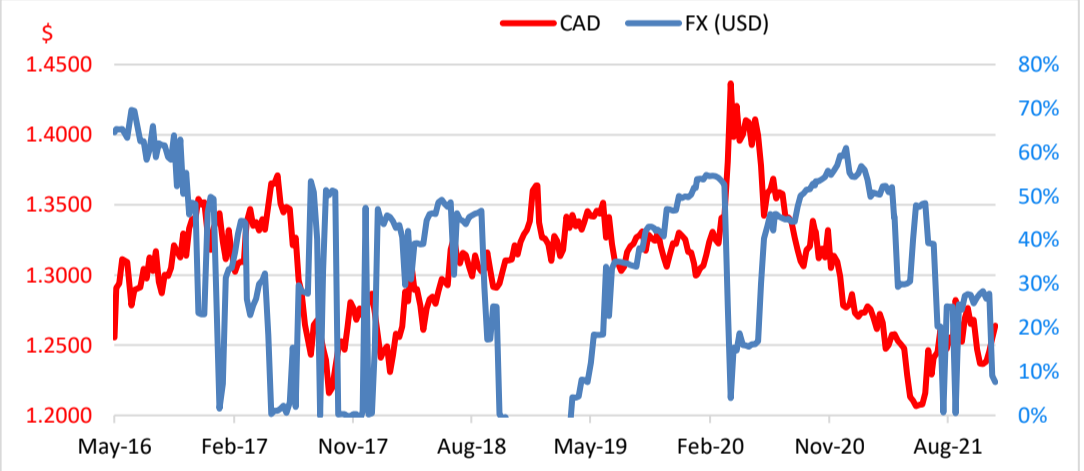
As of: Jun 2 2023	06/02/23	05/26/23	Change
FX (USD)	5.5%	5.6%	-0.2%
Beta ²	87.9%	87.8%	0.2%
Protection (Delta)	-56.3%	-56.5%	0.2%
Correlation	69.0%	69.5%	-0.5%
Yield ³	2.40%	2.43%	-0.03%
ETF Holdings	25	25	0
Volatility ⁴	10.33%	10.33%	0.00%
CAD	1.3425	1.3605	-1.3%



Net Beta (Core - Protection): 31.6%



Tactical FX Exposure (USD)



This commentary is intended for information purposes only. This update has been prepared by ETF Capital Management, the portfolio manager of BMO Tactical Global Growth ETF Fund and represents their assessment at the time of publication. The views are subject to change without notice as markets change over time. The information contained herein is not, and should not be construed as, investment advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. Any statement that necessarily depends on future events may be a forward-looking statement. This material may contain forward-looking statements. "Forward-looking statements," can be identified by the use of forward-looking terminology such as "may", "should", "expect", "anticipate", "outlook", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof, or variations thereon, or other comparable terminology. Investors are cautioned not to place undue reliance on such statements, as actual results could differ materially due to various risks and uncertainties. 1 The benchmark is the return of the targeted portfolio. 2 Beta is a measure of how a fund responds to moves in the broader market. A beta of greater than 1.0 suggests that the fund is more volatile than the market, while a beta of less than 1.0 suggests that the fund is less volatile. 3 Yield is the most recent income received by the fund in the form of dividends, interest and other income annualized based on the payment frequency, divided by the current market value of the fund's investments. 4 Volatility is the annualized standard deviation which is a measure of risk. 5 Upside/Downside is a statistical measure of how much of the fund performance a manager captured during up-markets or down-markets. Typically, an investor would prefer a higher upside capture and lower downside capture. The time period presented is since inception. 6 Standard Deviation is a measure of risk that calculates the variation of a fund's performance around its average over a specific time period. ETF Capital Management is a registered trade name of Quintessence Wealth, a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer registered with the Canadian Securities Administrators. Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination. For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus. BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal. ®/™Registered trade-marks/trade-mark of Bank of Montreal, used under licence.

Advisor/Broker Use Only