



# 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. During Q2 the estimate of the top 3 positions generating positive contributions to the fund were: FLBR 24 bps, ZUE 21 bps, BOTZ 15 bps. The bottom 3 detractors were: ZEM -94 bps, KWEB -81 bps, ZUT -69 bps. Strategically we took profits and reduced exposure to Japan by selling FLJH and ZDM. We added to RSP from ZUE to reduce exposure to the overbought technology weight in the S&P 500. We reduced beta in the portfolio by buying the lagging ZUT. We used proceeds from the sale of Japan to buy Korea FLKR. We took profits on GDV near the period highs and look to add back exposure in the second half of the year.

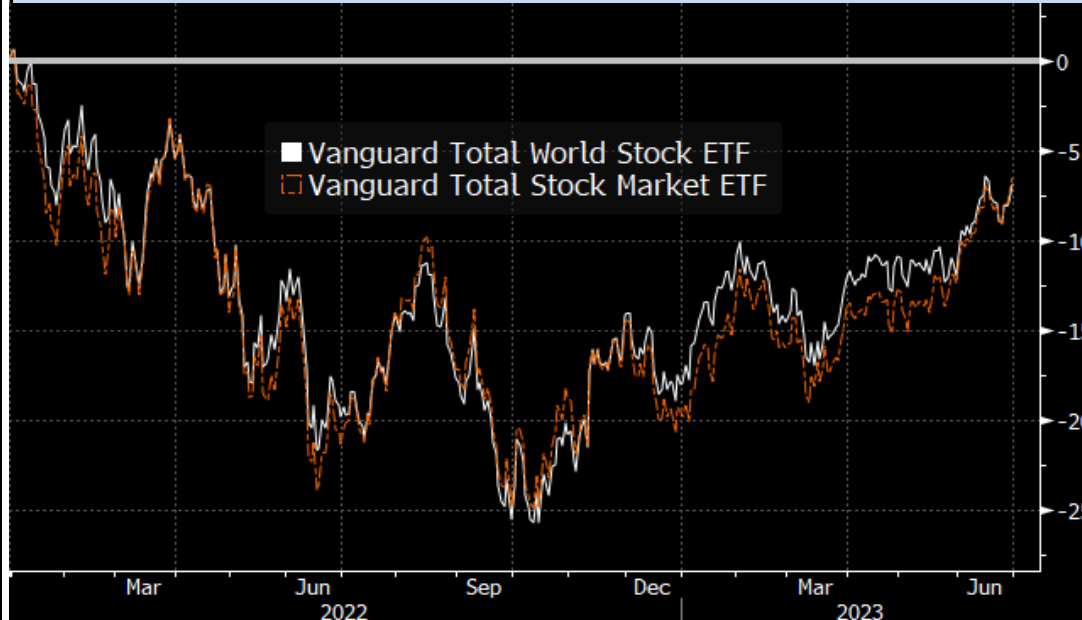
### Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	14.6%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	12.9%
ZEM	BMO MSCI Emerging Markets Index ETF	12.7%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	9.4%
ZUT	BMO Equal Weight Utilities Index ETF	7.0%
KWEB	KraneShares CSI China Internet ETF	4.1%
CIBR	First Trust NASDAQ Cybersecurity ETF	3.6%
XBI	SPDR S&P Biotech ETF	3.4%
FLGB	Franklin FTSE United Kingdom ETF	3.3%
URA	Global X Uranium ETF	3.2%
FLKR	Franklin FTSE South Korea ETF	3.0%
XLP	Consumer Staples Select Sector SPDR Fund	2.8%
ZCLN	BMO Clean Energy Index ETF	2.4%
FLIN	Franklin FTSE India ETF	2.4%
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%
GDV	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



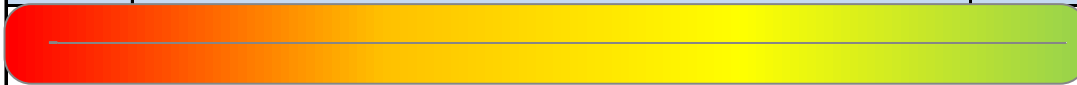
### PRO-EYEs Indicators

Risk Level **Low-Med**

The core portfolio beta is 87.3%. The degree of delta protection is -68% 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.

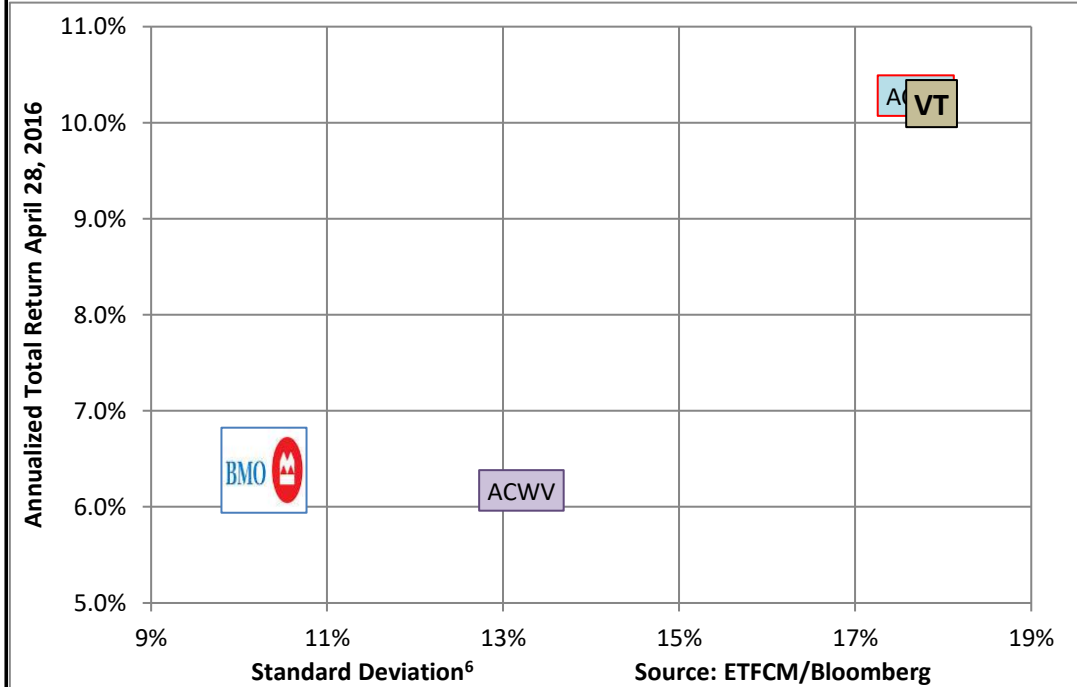
The tactical PRO-EYEs factor suggests that while some caution is still warranted on business cycle and valuation and that we are likely in a bear market cycle, the tactical component suggests lots of two-way opportunity is likely. Low volatility and sentiment numbers suggests a high degree of caution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

Defense **Core Portfolio Beta: 87.3%** Offense



### Performance Metrics (A-Series) as of (06/30/23)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
YTD	1.73%	2.65%	Upside	18%
Prev. Qtr.	-2.50%	-2.02%	Downside	31%
Prev. Year	9.38%	11.30%	Months Up	59
Since Inception	36.94%	50.08%	Months Dn	26
Ann. SI (04/28/16)	4.46%	6.38%		
Sharpe Ratio		0.62		



Fund Codes: Advisor BMO99762; F-Class BMO95762

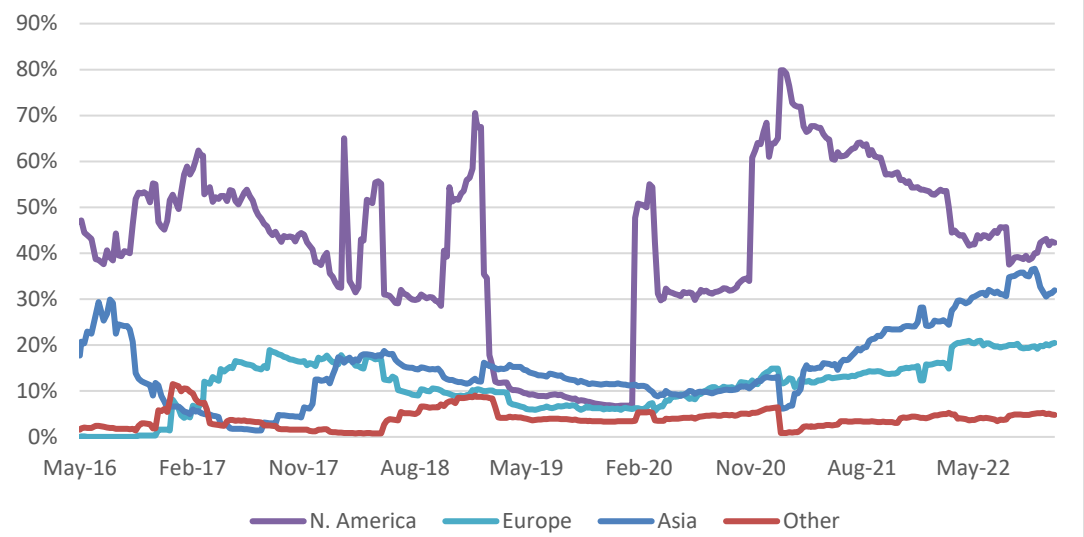
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## Tactical Asset Allocation

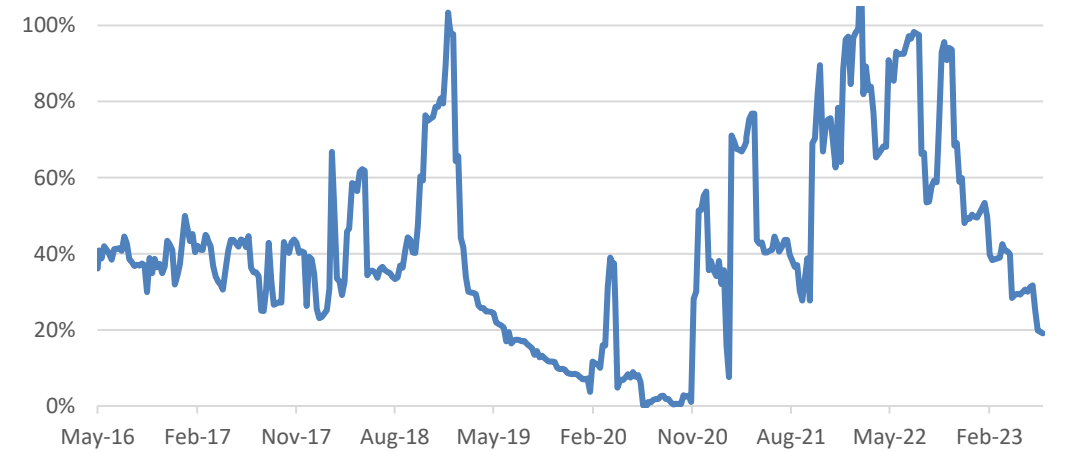
Equity	N. America	Europe	Asia	Other
06/30/23	50.1%	14.7%	31.2%	4.6%
06/16/23	48.5%	14.2%	31.1%	4.6%
Change	1.6%	0.5%	0.1%	0.0%

Sector	06/30/23	06/16/23	Change	BM
Basic Materials	7.71%	7.61%	0.1%	4.1%
Communications	10.02%	10.01%	0.0%	10.5%
Consumer, Cyclical	8.60%	8.09%	0.5%	10.4%
Consumer, Non-cyclical	20.80%	20.35%	0.5%	20.0%
Energy	5.11%	5.03%	0.1%	4.8%
Financial	14.69%	14.42%	0.3%	17.4%
Government	0.36%	0.34%	0.0%	17.4%
Industrial	9.94%	9.64%	0.3%	10.5%
Technology	13.03%	12.79%	0.2%	19.3%
Utilities	10.32%	10.03%	0.3%	2.8%

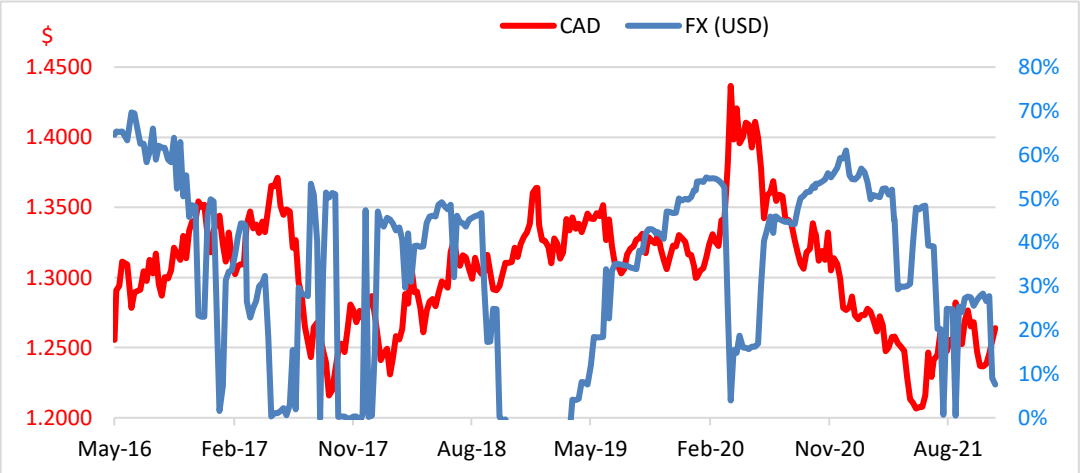
As of: Jun 30 2023	06/30/23	06/16/23	Change
FX (USD)	24.5%	24.7%	-0.3%
Beta <sup>2</sup>	87.3%	85.4%	1.9%
Protection (Delta)	-68.3%	-65.5%	-2.8%
Correlation	70.4%	67.2%	3.2%
Yield <sup>3</sup>	2.39%	2.32%	0.06%
ETF Holdings	24	24	0
Volatility <sup>4</sup>	10.29%	10.32%	-0.03%
CAD	1.3248	1.3200	0.4%



**Net Beta (Core - Protection): 19.0%**



**Tactical FX Exposure (USD)**



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