



# BMO Tactical Global Growth ETF Fund

## Core Tactical/Strategic Portfolio Outlook/Adjustments

Browning wrote that Nathan Mayer Rothschild is said to have uttered these words during the Napoleonic wars: "Buy to the sound of cannons, sell to the sound of trumpets." While perhaps that is true, and this time is not different, each issue is unique. Just about every geopolitical analyst we follow go this one wrong. The complication of COVID and supply chain issues made me laugh and then cry after listening to Powell tell Congress this week he has the tools to engineer a soft landing. What else is he going to say? We took profits on our overweight energy trade this week selling all our XLE position. We remain long materials (basic and precious), where there is likely more upside relative to the idea of peak demand for traditional energy. We remain new energy bulls (URA, ICLN) as carbon prices rally. We look to deploy the proceeds from the energy trade into EM equities once we get a full understanding of how Russia assets will fall out of index exposures. We also used the relative strength in the C\$ versus EAFE currencies to swap ZDM for ZEA. The Euro should recover relative to the C\$ once the squeeze on crude peaks. The oil bulls will tell you it's here for a while. Longer-term oil prices should settle well below current levels. Timing is unclear. We think Putin will honour a ceasefire once in control of Kyiv.

## Macro Market Strategy

There are two major wars in the world today. The West versus China in technology leadership/theft and currency reserve status. The West versus Russia wanting to rebuild the USSR. The equity risk premium moves for many factors. Earnings being the primary, but macro is a close second at times like this. Have a look at the forward EPS chart of the week. In all this geopolitical tragedy, forward based EPS ticked a bit higher this week. Do analysts not think the geopolitics matter? Does company guidance not think it matters? Did analysts not see that DE did a union contract with 6% annual increases and bonuses for the next FIVE years? Do they not know everyone else is going to want that too. Do they not know the Fed is about to fight that inflation hard and take the punchbowl away? Of course they do, there are no black swans here. We saw the same bullish expectations in late 2007 and early 2008 as well on eve of the GFC. The bottom up guys are the last to know. Nevertheless, it's a major part of ERP analysis (or what the market is worth).

## PRO-EYES - Berman's Call

**Risk Level Medium**

The current core portfolio beta is 91.3%. The current degree of beta protection is about -8%.

The current mix of PRO-EYES indicators suggests a sell rallies bias, but the market is well priced for a bad outcome. This suggests recent support levels should be short-term buying opportunities, but the trend change is a longer-term concern. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

## Performance Metrics (A-Series) as of (03/04/22)

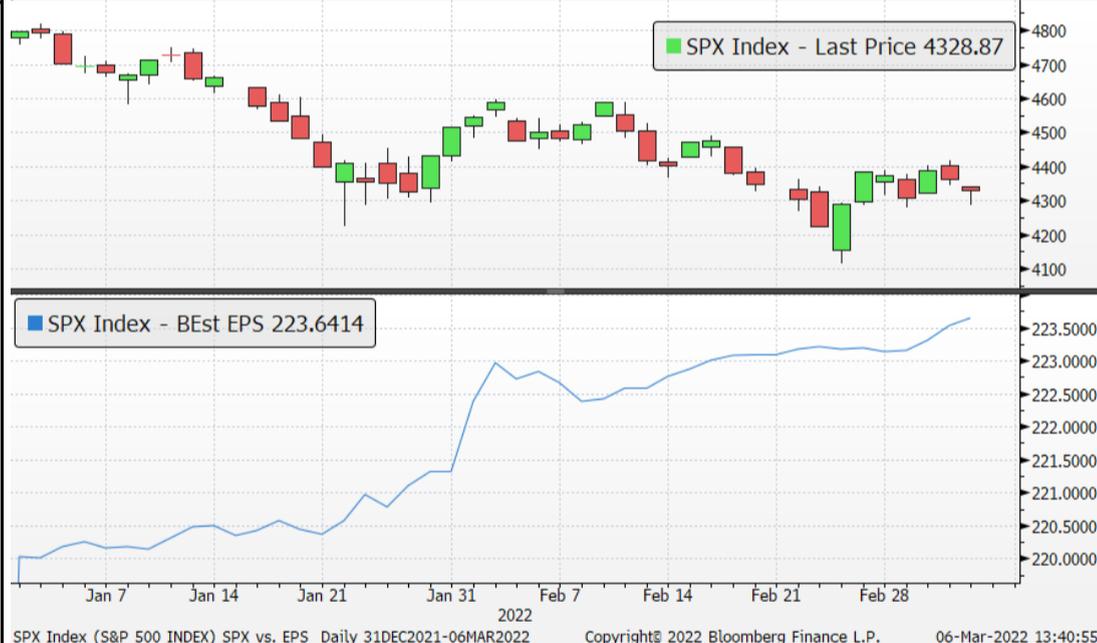
Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	-1.18%	-0.86%	Upside	19%
<b>Prev. Qtr.</b>	0.49%	0.97%	Downside	28%
<b>Prev. Year</b>	9.14%	11.06%	Months Up	50
<b>Since Inception</b>	37.09%	47.81%	Months Dn	19
<b>Ann. SI (04/28/16)</b>	5.52%	7.44%		
<b>Sharpe Ratio</b>		0.84		

Fund Codes: Advisor BMO99762; F-Class BMO95762

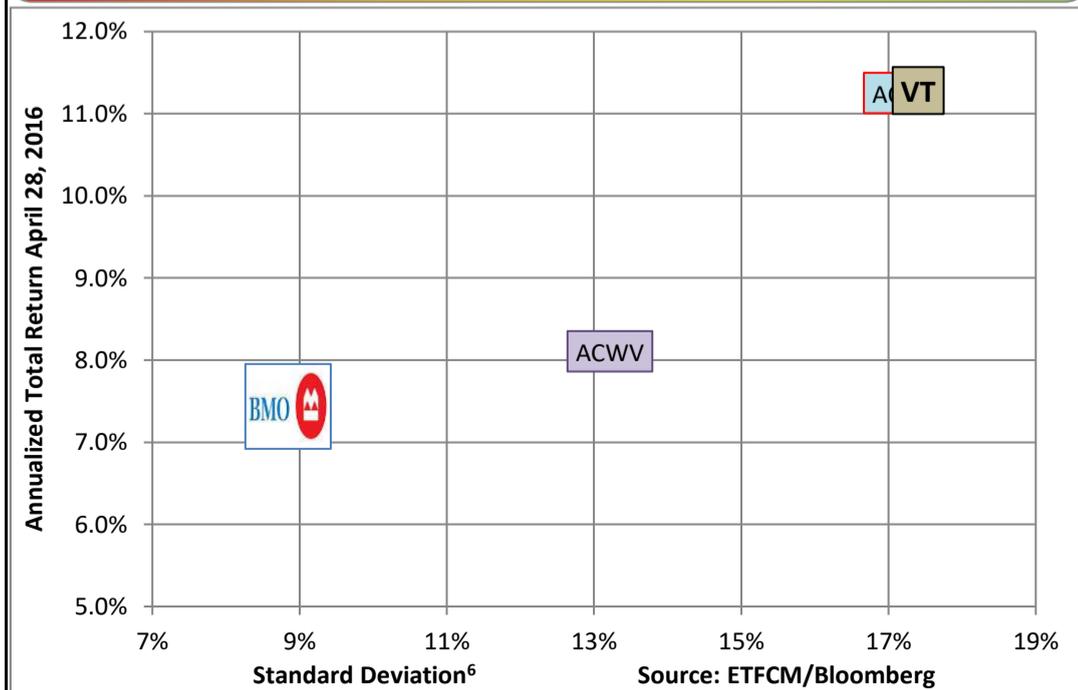
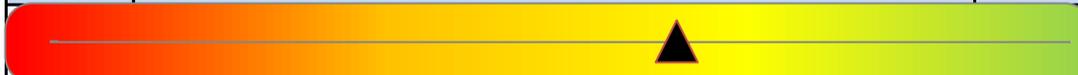
## Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	17.9%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	13.3%
ZEA	BMO MSCI EAFE Index ETF	10.5%
GDX	VanEck Gold Miners ETF/USA	9.0%
FLGB	Franklin FTSE United Kingdom ETF	5.5%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	5.4%
ZEM	BMO MSCI Emerging Markets Index ETF	5.2%
FLJH	Franklin FTSE Japan Hedged ETF	3.1%
URA	Global X Uranium ETF	3.0%
FLBR	Franklin FTSE Brazil ETF	2.9%
PAVE	Global X US Infrastructure Development ETF	2.3%
VNM	VanEck Vietnam ETF	2.2%
ZCLN	BMO Clean Energy Index ETF	2.1%
KBA	KraneShares Boser MSCI China A 50 Connect Index ETF	2.1%
FLIN	Franklin FTSE India ETF	1.9%
KWEB	KraneShares CSI China Internet ETF	1.9%
MJ	ETFMG Alternative Harvest ETF	1.8%
FLMX	Franklin FTSE Mexico ETF	1.4%
FLKR	Franklin FTSE South Korea ETF	0.9%
EIDO	iShares MSCI Indonesia ETF	0.9%

## Chart of the Week



**Defense** Core Portfolio Beta: 91.3% **Offense**



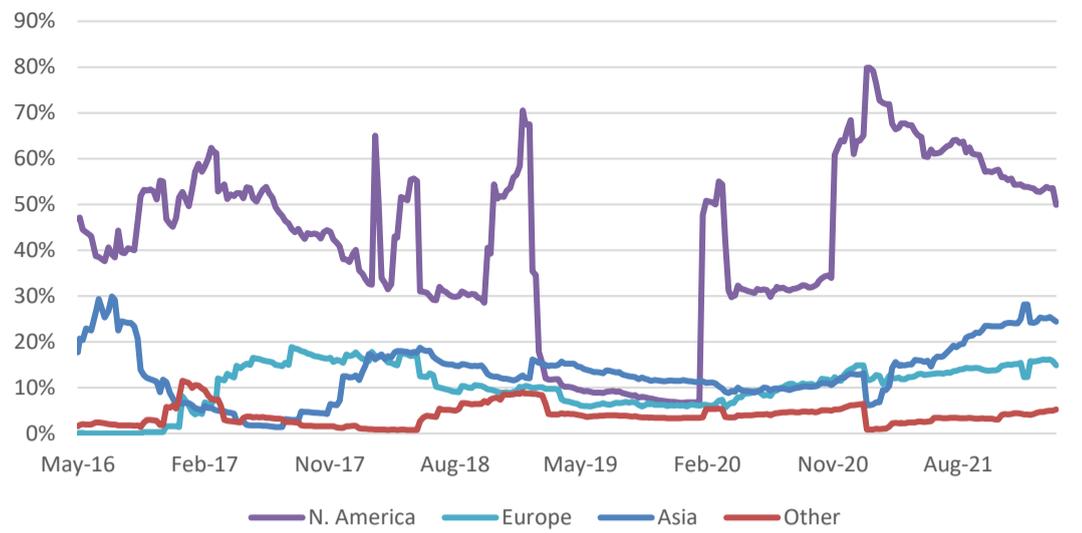
Advisor/Broker Use Only

## Tactical Asset Allocation

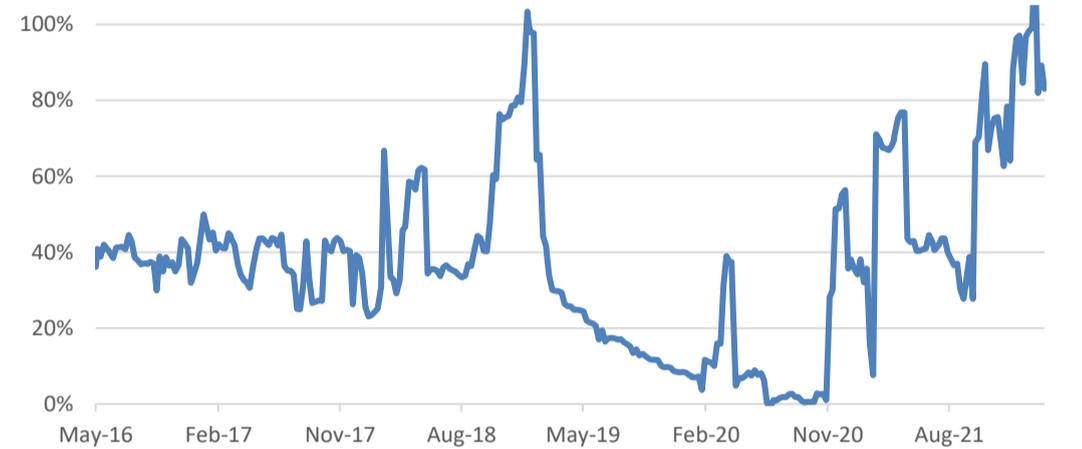
Equity	N. America	Europe	Asia	Other
03/04/22	49.9%	14.9%	24.4%	5.2%
02/25/22	53.6%	15.8%	25.0%	5.0%
Change	-3.6%	-0.9%	-0.6%	0.2%

Sector	03/04/22	02/25/22	Change	BM
Basic Materials	20.50%	19.38%	1.1%	4.4%
Communications	7.38%	7.65%	-0.3%	11.7%
Consumer, Cyclical	8.40%	8.58%	-0.2%	10.8%
Consumer, Non-cyclical	15.94%	16.31%	-0.4%	19.0%
Energy	5.12%	9.75%	-4.6%	4.2%
Financial	14.18%	14.54%	-0.4%	19.0%
Government	0.01%	0.01%	0.0%	19.0%
Industrial	10.58%	10.62%	0.0%	10.2%
Technology	8.62%	8.73%	-0.1%	17.9%
Utilities	3.69%	3.72%	0.0%	2.7%

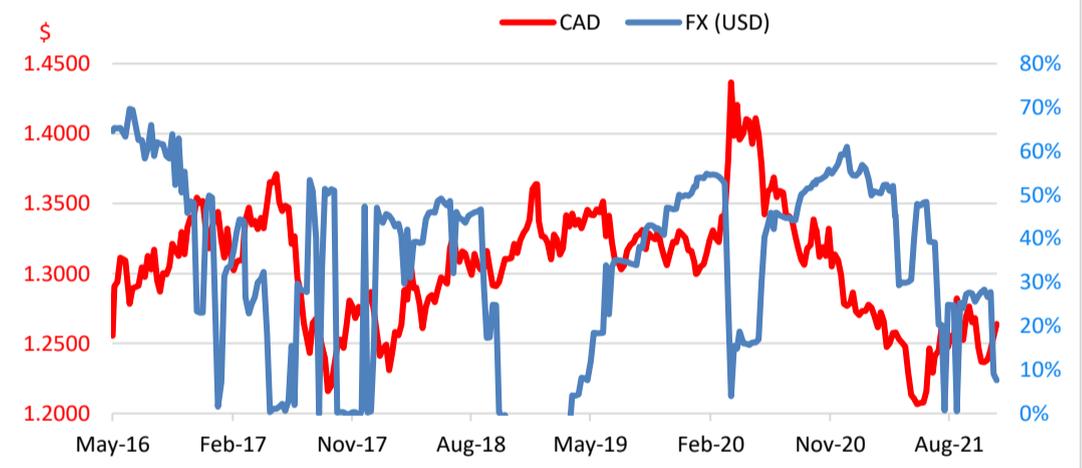
As of: Mar 4 2022	03/04/22	02/25/22	Change
FX (USD)	6.9%	6.7%	0.2%
Beta <sup>2</sup>	91.3%	98.5%	-7.2%
Protection (Delta)	-8.3%	-9.2%	0.9%
Correlation	72.8%	80.6%	-7.8%
Yield <sup>3</sup>	2.19%	2.29%	-0.10%
ETF Holdings	22	23	-1
Volatility <sup>4</sup>	8.85%	9.00%	-0.15%
CAD	1.2731	1.2713	0.1%



**Net Beta (Core - Protection): 83.0%**



**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**