

BMO Tactical Global Growth ETF Fund



Core Tactical/Strategic Portfolio Outlook/Adjustments

Last week we suggested that Powell took the punchbowl away. The softer than expected CPI filled it up again. Brainard discusses the economic outlook Monday at 11:30. Powell is not yet on the speaking calendar this month. Looks like Trump will go down swinging and DeSantis is the heir apparent of the GOP with the Senate staying Democratic and the Trump backed candidates doing much worse than expected in the mid-terms. Typically, a party with such a weak approval rating seeing the house flip in a big way. There is still a path to a Blue Wave, but likely a 219-216 GOP House. Legislative priorities will likely tilt blue. This is good for our clean energy and medical marijuana thematic sleeves. And while we will get some gridlock to be sure, more spending will come on a bi-partisan basis. America has voted for Gridlock. As for the market bounce, we added more protection to the portfolio late in the week and have another tranche to add on a test of the falling 200-day average. The 4000 area of the S&P 500 offers several layers of resistance. It should be very hard to hold above it heading into a recession.

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) has caught them up to the curve and the terminal rate is now expected in q1/23 around 4.75-5.00%. Powell could not have been more HAWKISH at the recent press conference. But post weaker CPI, most members are open to slowing the pace. The curve is looking for 50, 25, 25, pause through March. But pricing in 2 cuts in the back half of the year and if the recession is that bad, then equities are in trouble with an EPS recession too that is not priced into markets at SPX 4000.

PRO-EYEs Indicators

Risk Level Medium

The core portfolio beta is 91.9%. The degree of delta protection is -33% while the value of beta protection is 44%.

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 is well set up for a Q4 rally. This suggests that the tactical protection will become a very important part of managing volatility in the coming quarters. Correlations themselves are increasingly volatile.

Performance Metrics (A-Series) as of (11/11/22)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	-4.04%	-2.45%	Upside	20%
Prev. Qtr.	-0.72%	-0.24%	Downside	46%
Prev. Year	-7.33%	-5.41%	Months Up	54
Since Inception	33.12%	45.11%	Months Dn	23
Ann. SI (04/28/16)	4.45%	6.37%		
Sharpe Ratio		0.61		

Fund Codes: Advisor BMO99762; F-Class BMO95762

Top Holdings

Ticker	Name	Position
ZEA	BMO MSCI EAFE Index ETF	20.7%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	19.9%
ZEM	BMO MSCI Emerging Markets Index ETF	10.1%
GDX	VanEck Gold Miners ETF/USA	5.8%
FLGB	Franklin FTSE United Kingdom ETF	3.9%
KWEB	KraneShares CSI China Internet ETF	3.5%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	3.5%
URA	Global X Uranium ETF	3.1%
SMH	VanEck Semiconductor ETF	3.0%
FLJH	Franklin FTSE Japan Hedged ETF	2.9%
XLP	Consumer Staples Select Sector SPDR Fund	2.6%
MJ	ETFMG Alternative Harvest ETF	2.6%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.5%
ZCLN	BMO Clean Energy Index ETF	2.5%
FLIN	Franklin FTSE India ETF	2.3%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.5%
FINX	Global X FinTech ETF	1.5%
FLBR	Franklin FTSE Brazil ETF	1.4%
VNM	VanEck Vietnam ETF	1.4%
PAVE	Global X US Infrastructure Development ETF	1.1%

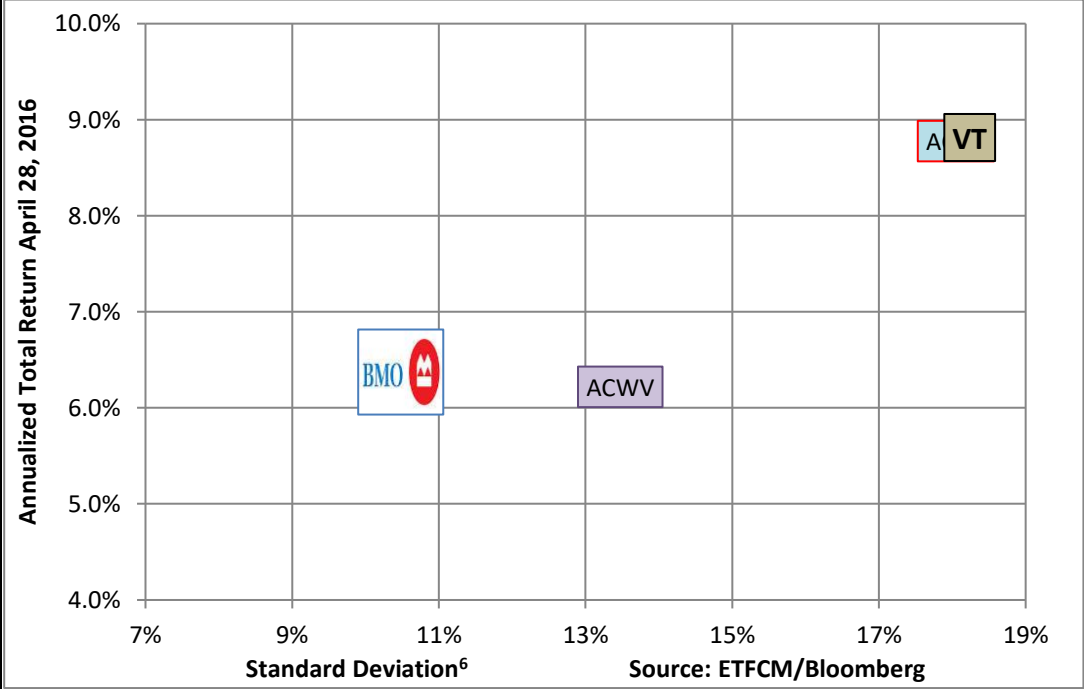
Chart of the Week



Defense

Core Portfolio Beta: 91.9%

Offense



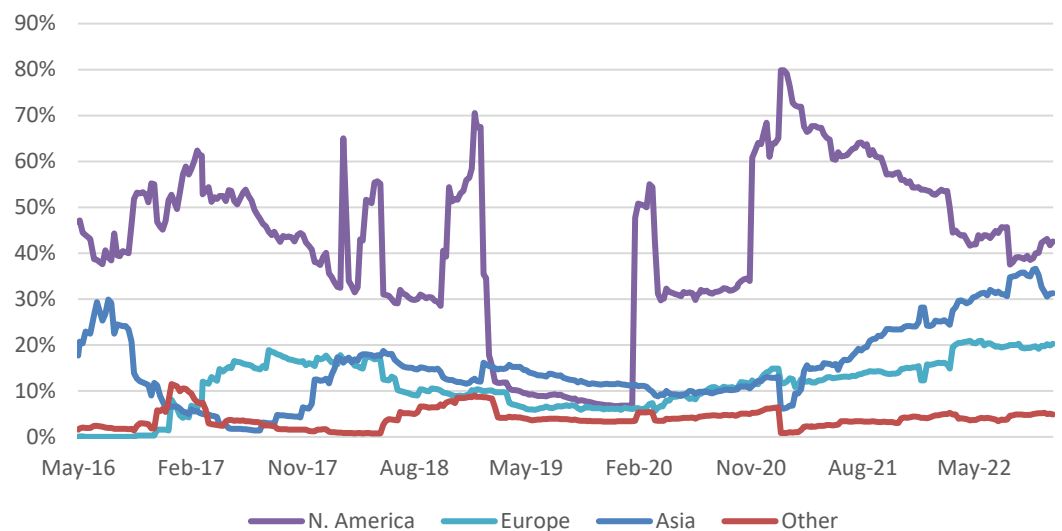
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Tactical Asset Allocation

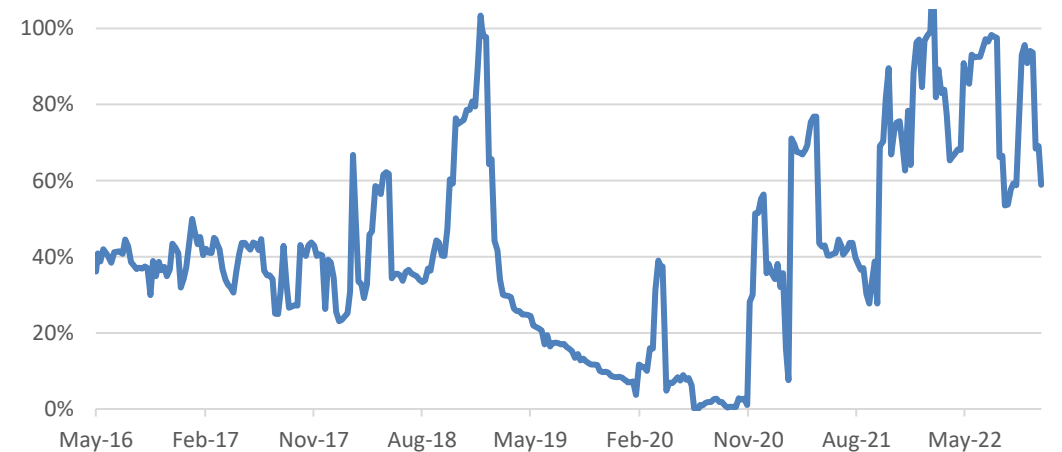
Equity	N. America	Europe	Asia	Other
11/11/22	42.6%	20.3%	31.3%	4.9%
11/04/22	41.7%	19.9%	31.2%	5.1%
Change	0.8%	0.4%	0.1%	-0.2%

Sector	11/11/22	11/04/22	Change	BM
Basic Materials	15.11%	14.41%	0.7%	4.3%
Communications	8.78%	8.73%	0.0%	10.4%
Consumer, Cyclical	8.56%	8.54%	0.0%	10.6%
Consumer, Non-cyclical	19.39%	19.48%	-0.1%	21.1%
Energy	5.44%	5.52%	-0.1%	5.4%
Financial	14.16%	14.25%	-0.1%	18.6%
Government	0.33%	0.35%	0.0%	18.6%
Industrial	9.65%	9.49%	0.2%	10.1%
Technology	14.26%	13.69%	0.6%	16.3%
Utilities	3.30%	3.38%	-0.1%	3.1%

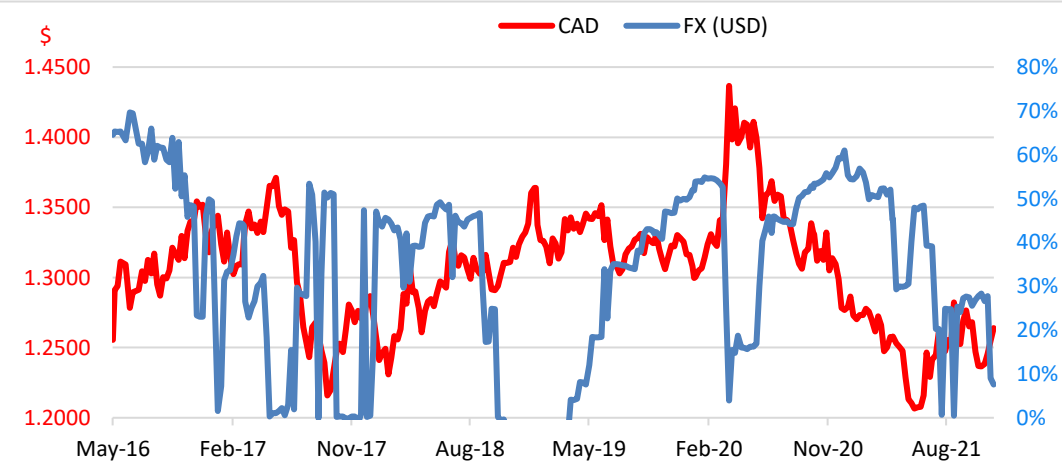
As of: Nov 11 2022	11/11/22	11/04/22	Change
FX (USD)	4.9%	3.7%	1.2%
Beta ²	91.9%	90.9%	1.0%
Protection (Delta)	-32.9%	-21.8%	-11.1%
Correlation	72.5%	70.6%	1.9%
Yield ³	2.65%	2.78%	-0.13%
ETF Holdings	24	24	0
Volatility ⁴	10.48%	10.57%	-0.08%
CAD	1.3275	1.3533	-1.9%



Net Beta (Core - Protection): 58.9%



Tactical FX Exposure (USD)



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