



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

The S&P 500 is struggling to hold the 4000 level as expected. That does not mean it can't improve from here if a few positive data points surprise in the seasonally strong period we are in. The narrative that bad economic news is good news for the market could last for a month or so more, but bad economic news is VERY BAD for earnings and that is not good for markets. Trailing EPS in the bank is \$206.59 and the yearend 2023 outlook is for a 14% growth to \$235 (see chart). I do not pound my fist very often because I know Mr. Market is a pretty smart dude. But someone is wrong here--that is clear! We are in protection mode with more to come should we see a bit more irrational exuberance. We are looking to add to EM exposure. We are looking to take profits in Semiconductors (SMH) we put on a few weeks ago. We are also looking to reduce base metals (ZMT) on the outlook for a global recession. We like both sectors, and would add back on weakness. A factor tilt towards more low volatility is where the proceeds will end up. We made 2 trades last week. We sold half ZEA for ZDM to hedge up some currency exposure after the recent CAD weakness relative to the international crosses.

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 92.9%. The degree of delta protection is -33% while the value of beta protection is 45%.

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 (11/18/22)

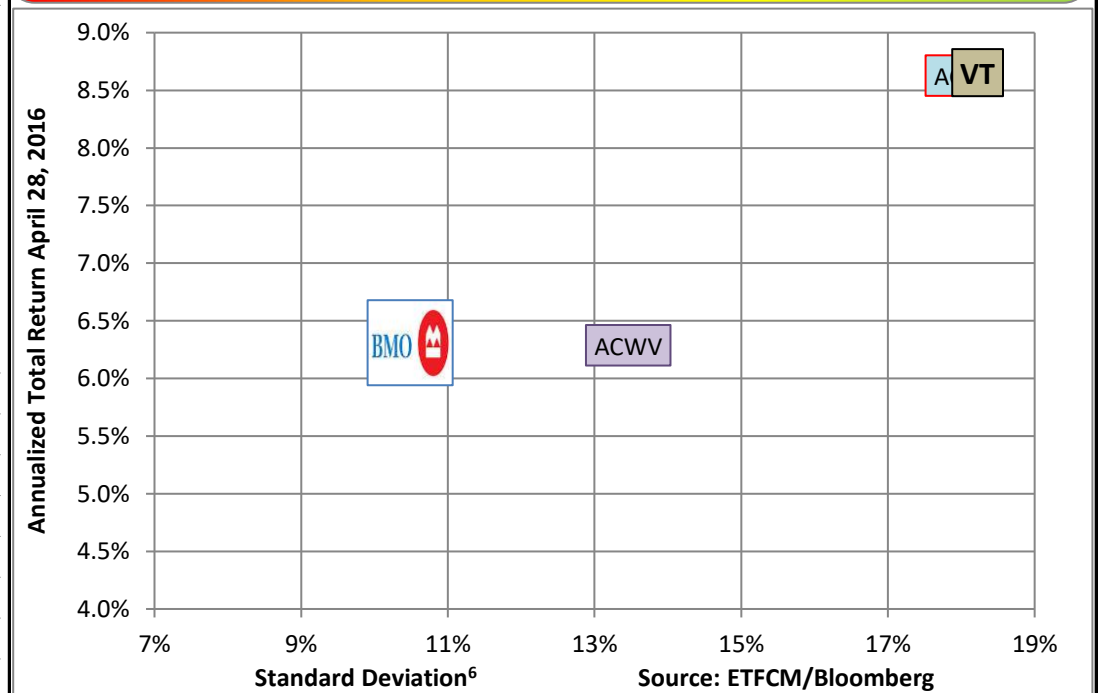
Total Return	Net	Gross	Upside/Downside ⁵
YTD	-4.34%	-2.72%	Upside 20%
Prev. Qtr.	0.91%	1.39%	Downside 46%
Prev. Year	-6.51%	-4.59%	Months Up 54
Since Inception	32.70%	44.73%	Months Dn 23
Ann. SI (04/28/16)	4.39%	6.31%	
Sharpe Ratio		0.60	

Fund Codes: Advisor BMO99762; F-Class BMO95762

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	19.9%
ZEA	BMO MSCI EAFE Index ETF	10.4%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	10.4%
ZEM	BMO MSCI Emerging Markets Index ETF	10.2%
GDX	VanEck Gold Miners ETF/USA	5.7%
FLGB	Franklin FTSE United Kingdom ETF	4.0%
KWEB	KraneShares CSI China Internet ETF	3.8%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	3.3%
SMH	VanEck Semiconductor ETF	3.1%
URA	Global X Uranium ETF	2.9%
FLJH	Franklin FTSE Japan Hedged ETF	2.9%
XLP	Consumer Staples Select Sector SPDR Fund	2.7%
MJ	ETFMG Alternative Harvest ETF	2.6%
ZCLN	BMO Clean Energy Index ETF	2.6%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.5%
FLIN	Franklin FTSE India ETF	2.2%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.5%
VNM	VanEck Vietnam ETF	1.4%
FLBR	Franklin FTSE Brazil ETF	1.4%
FINX	Global X FinTech ETF	1.4%

Chart of the Week


Defense
Core Portfolio Beta: 92.9%
Offense


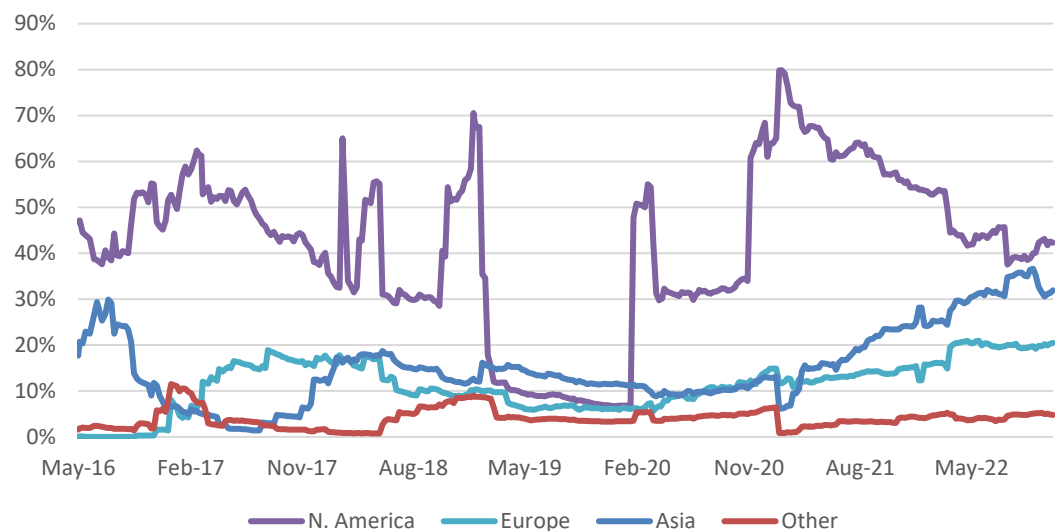
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Tactical Asset Allocation

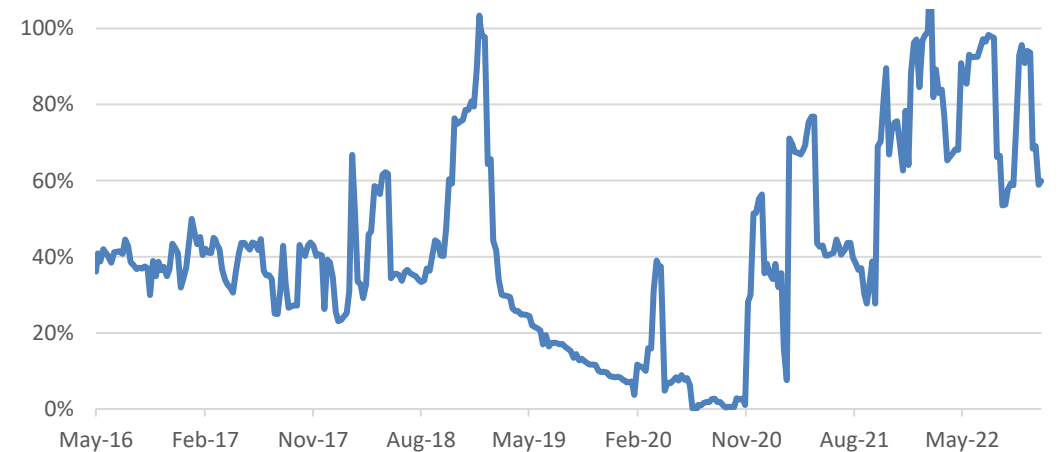
Equity	N. America	Europe	Asia	Other
11/18/22	42.2%	20.4%	32.0%	4.8%
11/11/22	42.6%	20.3%	31.3%	4.9%
Change	-0.3%	0.1%	0.7%	-0.2%

Sector	11/18/22	11/11/22	Change	BM
Basic Materials	14.84%	15.11%	-0.3%	4.3%
Communications	9.11%	8.78%	0.3%	10.4%
Consumer, Cyclical	8.70%	8.56%	0.1%	10.6%
Consumer, Non-cyclical	19.33%	19.39%	-0.1%	21.1%
Energy	5.48%	5.44%	0.0%	5.4%
Financial	14.12%	14.16%	0.0%	18.6%
Government	0.32%	0.33%	0.0%	18.6%
Industrial	9.66%	9.65%	0.0%	10.1%
Technology	14.44%	14.26%	0.2%	16.3%
Utilities	3.31%	3.30%	0.0%	3.1%

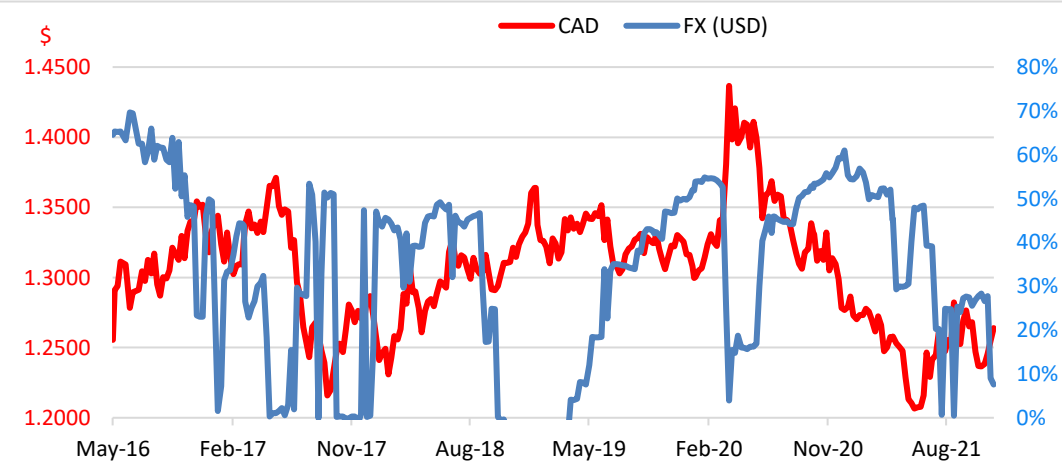
As of: Nov 18 2022	11/18/22	11/11/22	Change
FX (USD)	4.8%	4.9%	-0.1%
Beta ²	92.9%	91.9%	1.0%
Protection (Delta)	-33.0%	-32.9%	-0.1%
Correlation	73.4%	72.5%	0.9%
Yield ³	2.66%	2.65%	0.01%
ETF Holdings	25	24	1
Volatility ⁴	10.49%	10.48%	0.00%
CAD	1.3374	1.3275	0.7%



Net Beta (Core - Protection): 59.9%



Tactical FX Exposure (USD)



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