



# BMO Tactical Global Growth ETF Fund

## Core Tactical/Strategic Portfolio Outlook/Adjustments

Last week we took profits on some of our EAFE currency exposure moving back to a fully hedged position. When hedging a currency with a lower interest rate, the cost of hedging is net contribution to returns. The EURCAD rate hit out 1.50 target that triggers the shift. The chart of the week shows the value added to the portfolio. We picked up 350bps on about a 6.6% position, which added about 20 bps to the portfolio. We will look to unhedged that exposure when oil prices rally again. If the market believes in the soft landing scenario and the rebuilding of the SPR is starting, WTI should be closer to \$90 than \$70 by mid 2024. EURCAD should be aback below 1.45 where we put the trade on in late September.

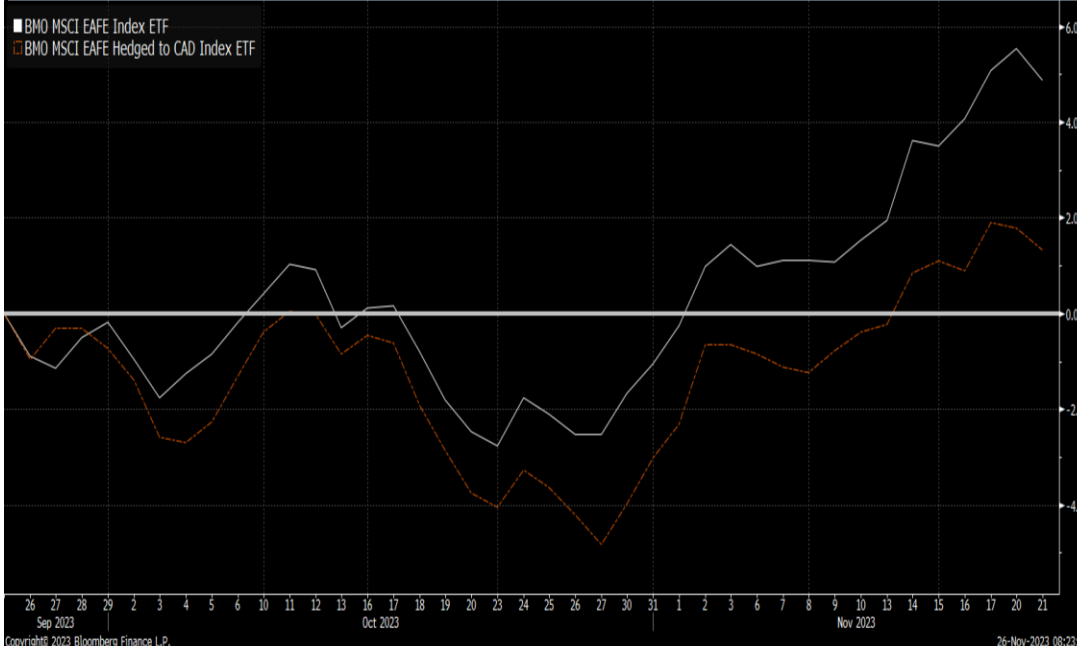
## Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	15.6%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	13.4%
ZEM	BMO MSCI Emerging Markets Index ETF	10.3%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	6.6%
ZUT	BMO Equal Weight Utilities Index ETF	6.5%
ZCLN	BMO Clean Energy Index ETF	4.7%
KWEB	KraneShares CSI China Internet ETF	4.7%
CIBR	First Trust NASDAQ Cybersecurity ETF	4.2%
XBI	SPDR S&P Biotech ETF	3.3%
FLKR	Franklin FTSE South Korea ETF	3.2%
FLGB	Franklin FTSE United Kingdom ETF	3.1%
URA	Global X Uranium ETF	3.1%
XLP	Consumer Staples Select Sector SPDR Fund	2.9%
FLIN	Franklin FTSE India ETF	2.7%
FINX	Global X FinTech ETF	2.3%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.1%
VNM	VanEck Vietnam ETF	1.8%
EIDO	iShares MSCI Indonesia ETF	1.8%
FLBR	Franklin FTSE Brazil ETF	1.8%
GDX	VanEck Gold Miners ETF/USA	1.7%

## Macro Market Strategy

While it appears now that we are much closer to the terminal rate, we do not see an easing until the market and Main Street feels more pain. The FOMC does not expect inflation to return to target until 2025, which suggests that higher for longer is here well into 2024. Main street has felt no pain yet given the employment situation is still relatively strong. Historically, we do not see the bottom is in until Main Street feels the recession. It does not have to be deep, but no cycle in history has ever bottomed at full employment. Inflation is unlikely to get back towards the Feds target without some labour market pain that the FOMC is willing to endure to make sure inflation expectations are grounded. A soft landing is an extremely low probability that is fully priced in.

## Chart of the Week



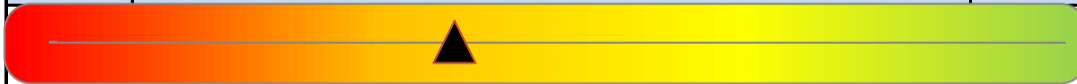
## PRO-EYEs Indicators

**Risk Level** Low-Med

The core portfolio beta is 95.8%. The degree of delta protection is -39% while the value of beta protection is 79% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 3800.

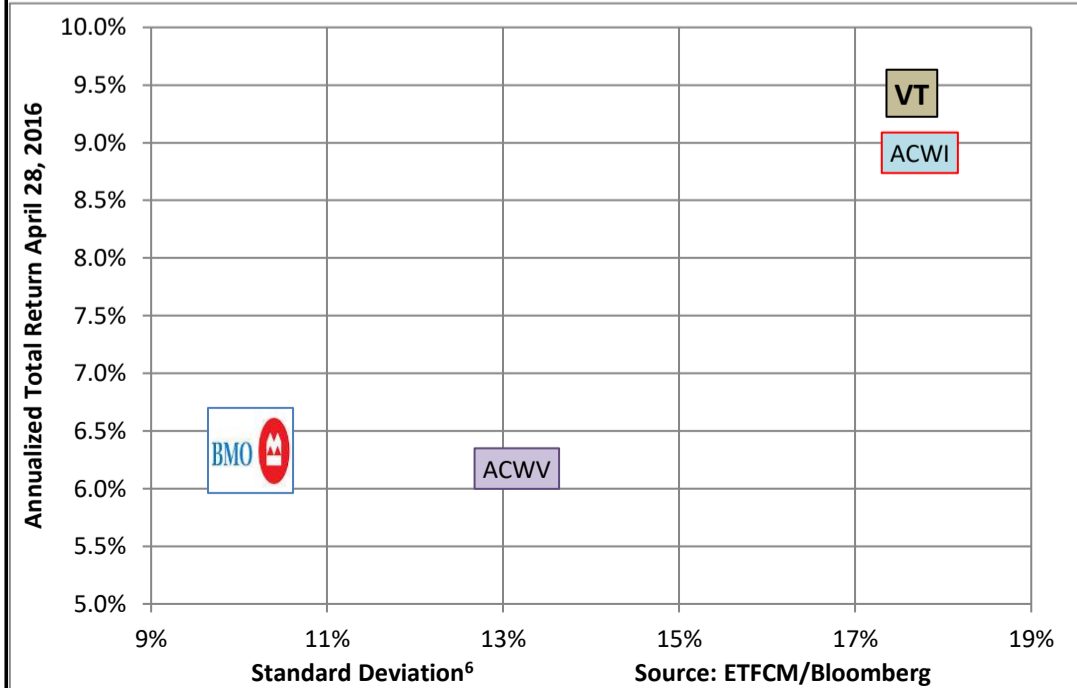
The overall PRO-EYEs factors suggest that we are in a neutral period with longer-term caution concerns. The recent oversold condition as been neutralized in 3 trading days.

**Defense** Core Portfolio Beta: 95.8% **Offense**



## Performance Metrics (A-Series) as of (11/24/23)

Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	3.12%	4.79%	Upside	20%
<b>Prev. Qtr.</b>	1.12%	1.60%	Downside	51%
<b>Prev. Year</b>	3.13%	5.05%	Months Up	60
<b>Since Inception</b>	38.82%	52.70%	Months Dn	29
<b>Ann. SI (04/28/16)</b>	4.41%	6.33%		
<b>Sharpe Ratio</b>		0.62		



Fund Codes: Advisor BMO99762; F-Class BMO95762

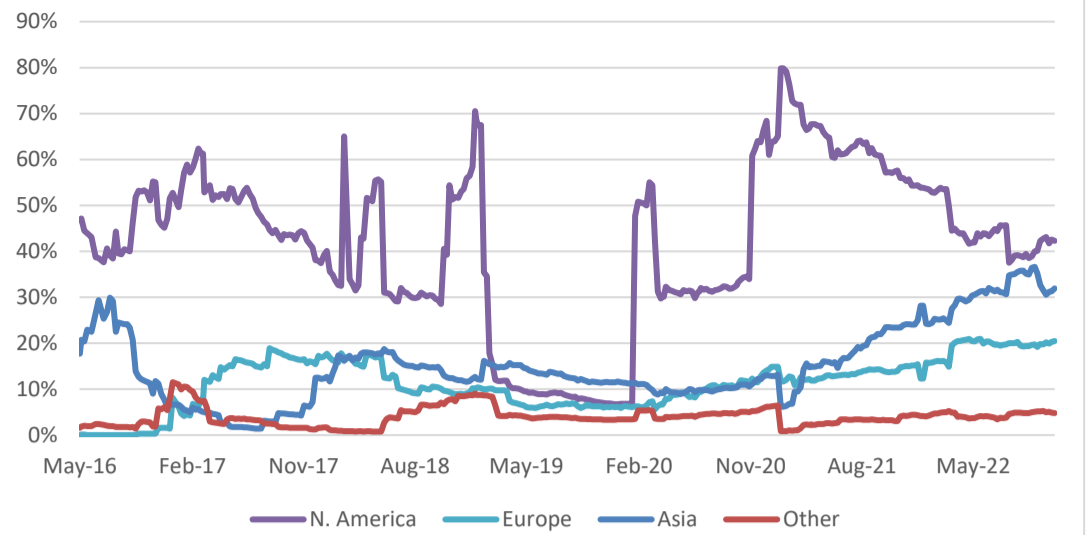
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## Tactical Asset Allocation

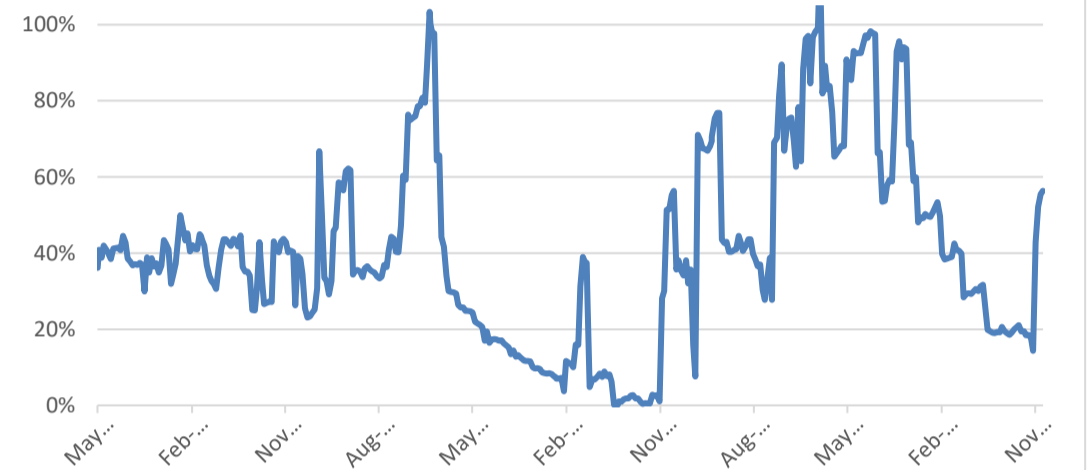
Equity	N. America	Europe	Asia	Other
11/24/23	49.6%	15.5%	31.2%	4.6%
11/17/23	49.5%	15.3%	31.1%	4.7%
Change	0.1%	0.2%	0.1%	0.0%

Sector	11/24/23	11/17/23	Change	BM
Basic Materials	7.95%	7.87%	0.1%	4.1%
Communications	9.71%	9.68%	0.0%	10.9%
Consumer, Cyclical	8.27%	8.16%	0.1%	10.4%
Consumer, Non-cyclical	20.14%	20.06%	0.1%	19.2%
Energy	6.16%	6.15%	0.0%	5.3%
Financial	14.84%	14.82%	0.0%	17.8%
Government	0.40%	0.41%	0.0%	17.8%
Industrial	9.89%	9.85%	0.0%	10.3%
Technology	12.88%	12.77%	0.1%	19.3%
Utilities	10.66%	10.82%	-0.2%	2.7%

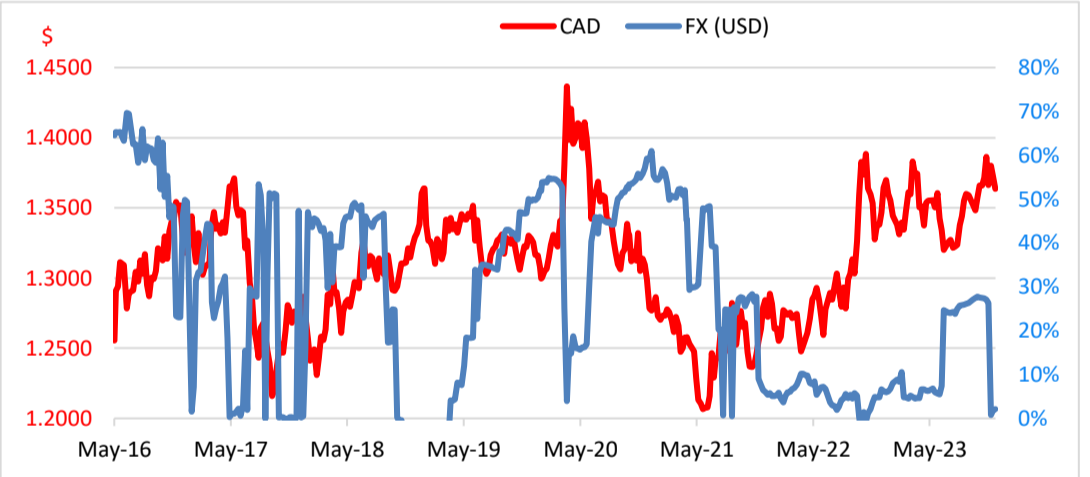
As of: Nov 24 2023	11/24/23	11/17/23	Change
FX (USD)	2.1%	1.8%	0.3%
Beta <sup>2</sup>	95.8%	95.3%	0.5%
Protection (Delta)	-39.5%	-39.8%	0.3%
Correlation	73.8%	73.6%	0.2%
Yield <sup>3</sup>	2.39%	2.39%	-0.01%
ETF Holdings	24	25	-1
Volatility <sup>4</sup>	10.13%	10.14%	-0.01%
CAD	1.3636	1.3723	-0.6%



**Net Beta (Core - Protection): 56.3%**



**Tactical FX Exposure (USD)**



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