



# BMO Tactical Global Growth ETF Fund

## Core Tactical/Strategic Portfolio Outlook/Adjustments

September was an excellent month for the fund. The protection in place led to a positive return of 0.2% while the global index fell 4.25%. The portfolio is well protected through the December options expiry. We made no trades last week. The war in Israel-Gaza has the potential to escalate. We fear an ultimate attack on Iran is possible. From a market perspective, and only a market perspective, oil prices are likely to negatively impact. Historically, geopolitical events are temporary. We liken this to the first Gulf War in terms of potential disruption. Oil prices spiked for several months and global equities fell 15-20% (see chart of the week), but this was more of a direct impact to energy supplies, where it currently is a tangential risk should it escalate. Tehran can impact oil flow (about 20% of world supply) through the Strait of Hormuz it controls. How far Iran goes here to support Hamas and Hezbollah to limit/prevent a Saudi-Israel peace alliance is hard to determine. It would appear to be the primary catalyst for the attacks from our lens. While we wish nothing but peace in the Middle-East, the geopolitical realities of the world are far more complicated and deep rooted.

## 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.

## PRO-EYEs Indicators

**Risk Level** Low-Med

The core portfolio beta is 87.7%. The degree of delta protection is -69% while the value of beta protection is 80% of the portfolio. The weighted average cap is: 4400. The weighted average collar is: 4300. The weighted average floor is: 0.

The overall PRO-EYEs factors suggest that we are in a period of caution. The most recent extreme readings suggests that we have a high probability of a correction of more than 11% from the recent peak. Timing is uncertain, but typically within 3 to 6 months.

## Performance Metrics (A-Series) as of (10/13/23)

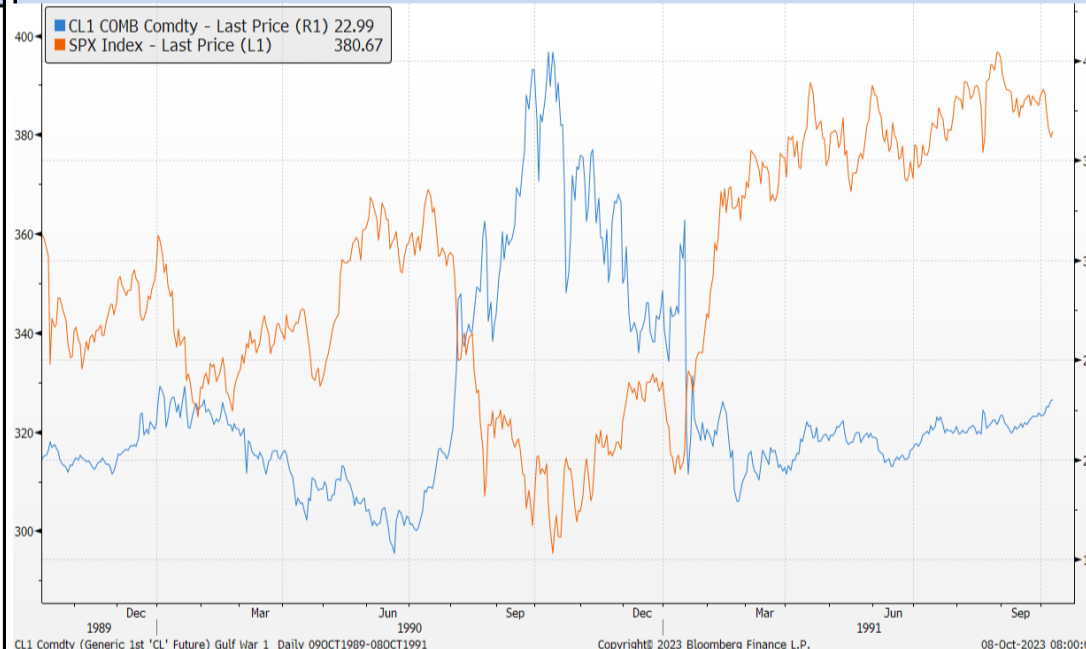
Total Return	Net	Gross	Upside/Downside <sup>5</sup>	
<b>YTD</b>	0.65%	2.10%	Upside	19%
<b>Prev. Qtr.</b>	-2.33%	-1.86%	Downside	31%
<b>Prev. Year</b>	11.22%	13.14%	Months Up	56
<b>Since Inception</b>	35.49%	49.16%	Months Dn	32
<b>Ann. SI (04/28/16)</b>	4.14%	6.06%		
<b>Sharpe Ratio</b>		0.59		

**Fund Codes:** Advisor BMO99762; F-Class BMO95762

## Top Holdings

Ticker	Name	Position
RSP	Invesco S&P 500 Equal Weight ETF	15.0%
ZEM	BMO MSCI Emerging Markets Index ETF	13.4%
ZUE	BMO S&P 500 Hedged to CAD Index ETF	7.0%
ZEA	BMO MSCI EAFE Index ETF	6.4%
ZDM	BMO MSCI EAFE Hedged to CAD Index ETF	6.4%
ZUT	BMO Equal Weight Utilities Index ETF	6.4%
KWEB	KraneShares CSI China Internet ETF	4.6%
CIBR	First Trust NASDAQ Cybersecurity ETF	4.0%
ZCLN	BMO Clean Energy Index ETF	3.9%
XBI	SPDR S&P Biotech ETF	3.2%
FLKR	Franklin FTSE South Korea ETF	3.0%
FLGB	Franklin FTSE United Kingdom ETF	3.0%
XLP	Consumer Staples Select Sector SPDR Fund	2.7%
URA	Global X Uranium ETF	2.7%
FLIN	Franklin FTSE India ETF	2.7%
FINX	Global X FinTech ETF	2.1%
BOTZ	Global X Robotics & Artificial Intelligence ETF	2.0%
VNM	VanEck Vietnam ETF	1.9%
EIDO	iShares MSCI Indonesia ETF	1.8%
GDX	VanEck Gold Miners ETF/USA	1.7%

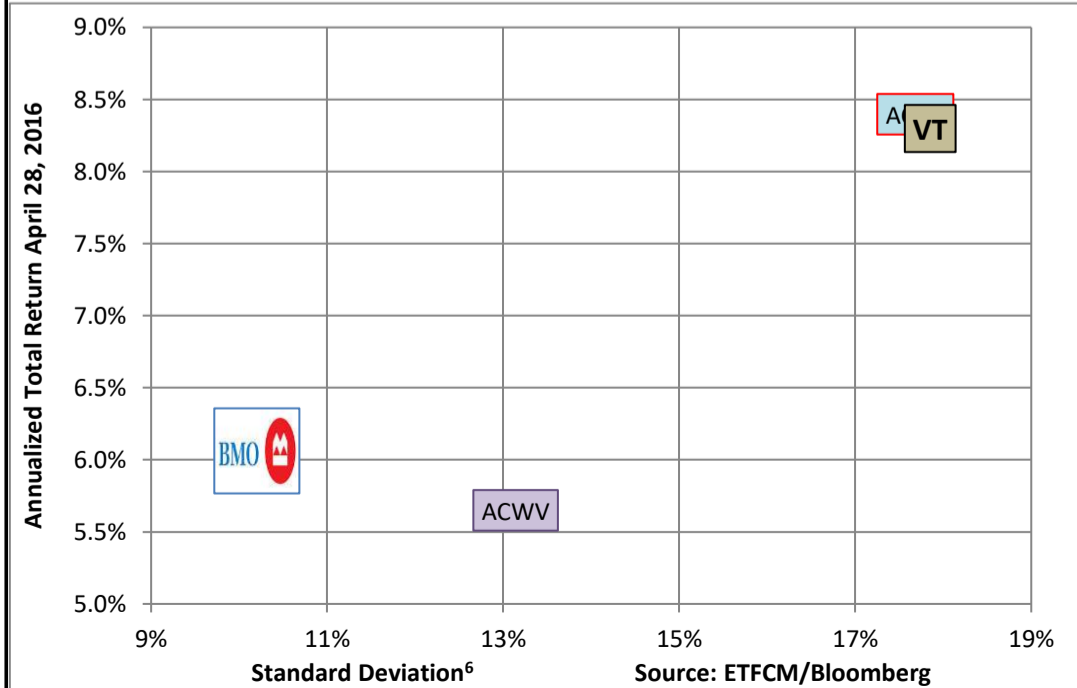
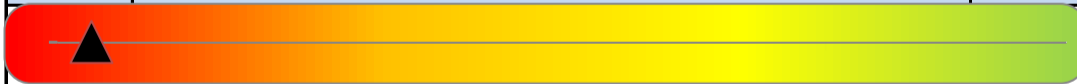
## Chart of the Week



## Defense

**Core Portfolio Beta: 87.7%**

## Offense



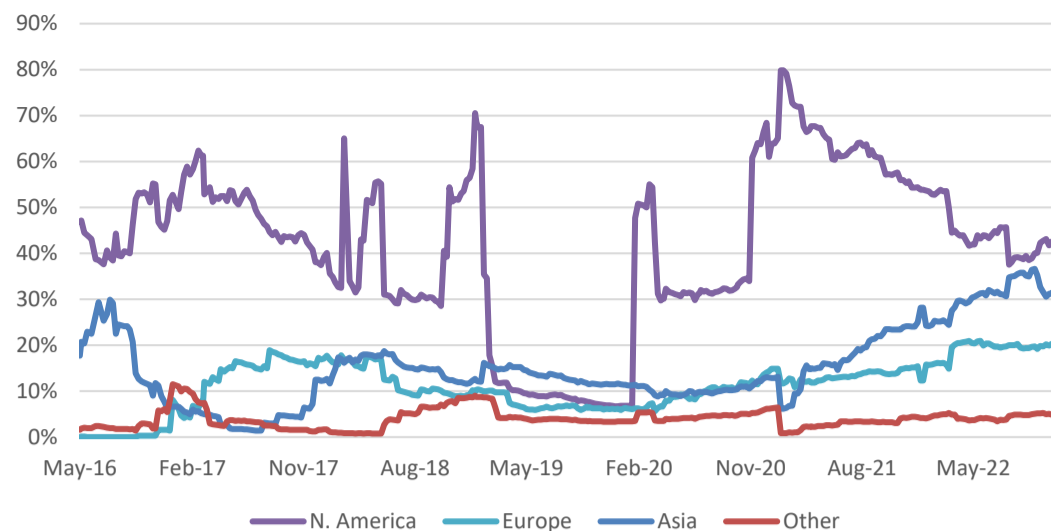
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## Tactical Asset Allocation

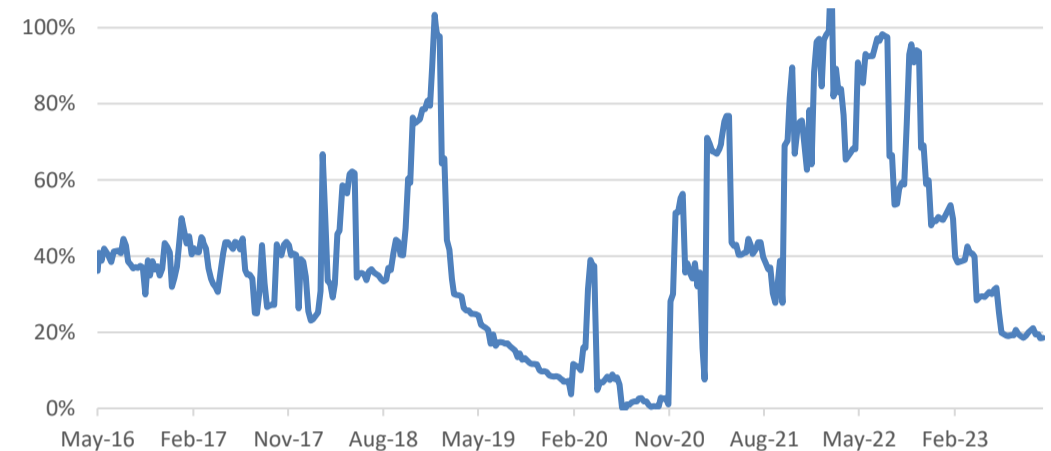
Equity	N. America	Europe	Asia	Other
10/13/23	48.2%	14.8%	32.9%	4.9%
10/06/23	48.6%	14.7%	32.9%	4.8%
Change	-0.4%	0.1%	0.0%	0.1%

Sector	10/13/23	10/06/23	Change	BM
Basic Materials	7.68%	7.58%	0.1%	4.1%
Communications	10.11%	10.18%	-0.1%	10.8%
Consumer, Cyclical	8.23%	8.31%	-0.1%	10.7%
Consumer, Non-cyclical	20.03%	20.29%	-0.3%	19.3%
Energy	5.92%	5.76%	0.2%	5.0%
Financial	15.30%	15.33%	0.0%	17.5%
Government	0.47%	0.46%	0.0%	17.5%
Industrial	9.66%	9.61%	0.0%	10.5%
Technology	12.88%	12.94%	-0.1%	19.4%
Utilities	10.51%	10.49%	0.0%	2.6%

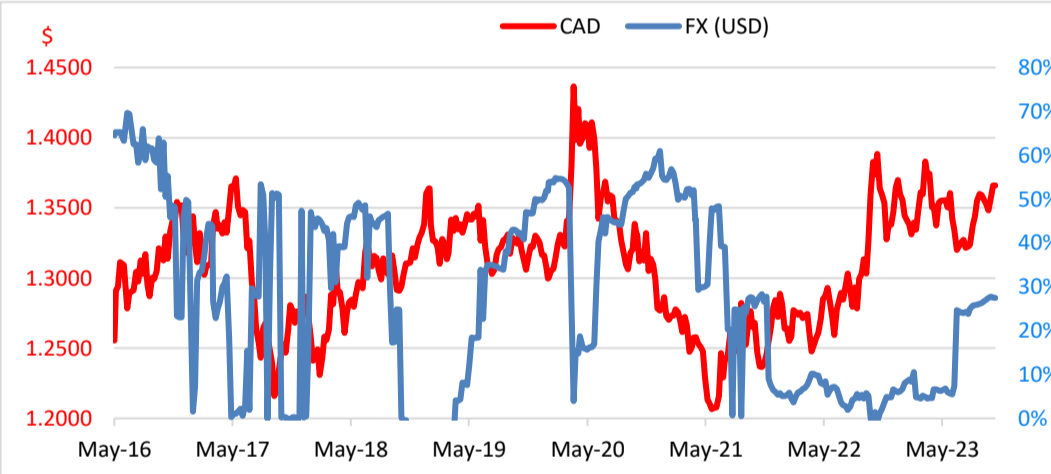
As of: Oct 13 2023	10/13/23	10/06/23	Change
FX (USD)	27.4%	27.5%	-0.1%
Beta <sup>2</sup>	87.7%	87.9%	-0.1%
Protection (Delta)	-69.2%	-69.5%	0.3%
Correlation	72.8%	73.3%	-0.6%
Yield <sup>3</sup>	2.51%	2.51%	0.00%
ETF Holdings	25	25	0
Volatility <sup>4</sup>	10.20%	10.21%	0.00%
CAD	1.3660	1.3661	0.0%



**Net Beta (Core - Protection): 18.6%**



**Tactical FX Exposure (USD)**



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