



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We will find out this week if the FOMC did intend to tilt back to a less hawkish stance. We expect the hawkish talk will continue, but they MUST recognize that the real time forward looking demand and output data is slowing quickly. The GDP bump in Q3 was mostly trade related and outside of labour demand is not showing the hot economy the FOMC seems to be reacting to. The oversold condition seen in October is now a bit more balanced and seasonal patterns are more friendly. The quarterly treasury announcement this week will provide clues to the path of QT stress, that will not likely ease for the next year. The 3M-10Yr US curve inverted last week and portends recession in 2023 with a high degree of certainty. With that lens, we added back 50% of our max volatility protection to the portfolio. We see potential for a bit more (2-5%) short covering potential in the coming weeks/months, but not likely much higher. We look to add more protection as data informs these decisions. A bear market bottom is likely a first half 2023 development in the 3200-3500 range for the S&P 500. Our S&P 500 chart this week shows the strong resistance we expect in the 4000 area from two important retracement levels and the projection of the falling 200-day average.

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 4.5%. Powell could not have been more HAWKISH at Jackson Hole and since in follow up speeches. No doubt, the speech will go down in the history books as a Draghi like "pain" trade--and believe me, it will be. Not Volcker like, but a more modern day version. The higher for longer speech is most certainly going to cause some pain on Main Street. Forward EPS is only starting to fall and currency headwinds and softer volumes are just beginning to show up. This will likely cap most rally attempts with the FOMC unable to cut rates until inflation is under 3% and holding. This could easily take 2 years or more. The Timaroas WSJ column at 8:52am Oct 21 ignited the hint of a Fed pause.

PRO-EYES Indicators

Risk Level
Medium

The core portfolio beta is 92.0%. The degree of delta protection is -24% while the value of beta protection is 32%.

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 (10/28/22)

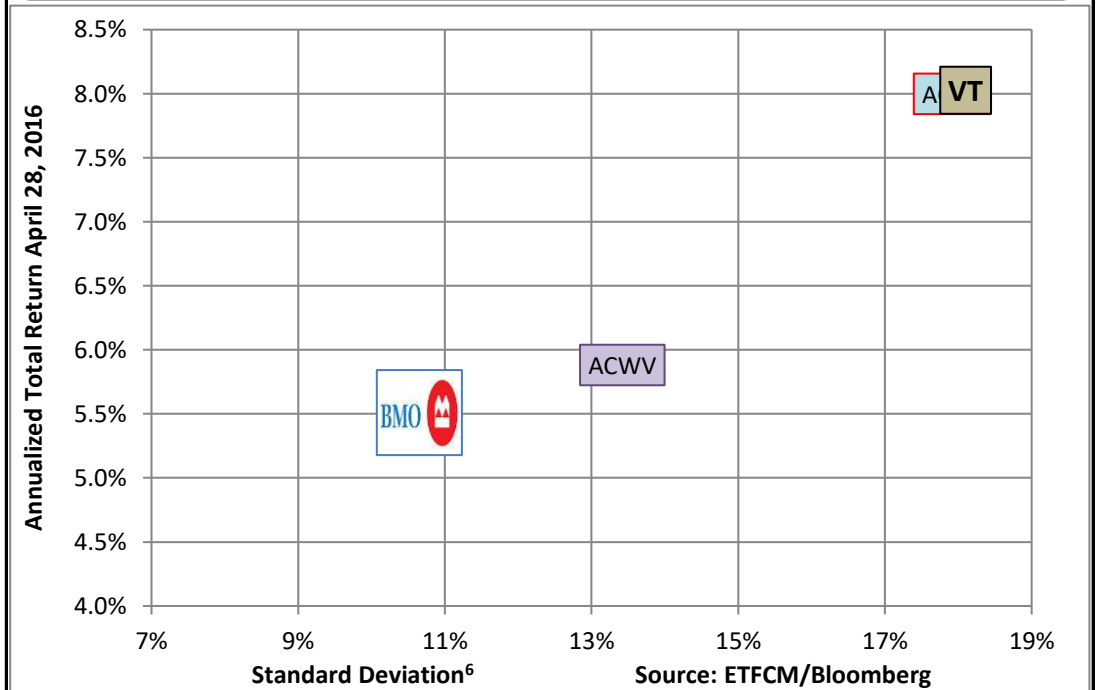
Total Return	Net	Gross	Upside/Downside ⁵
YTD	-9.25%	-7.74%	Upside 20%
Prev. Qtr.	-3.89%	-3.41%	Downside 46%
Prev. Year	-9.78%	-7.86%	Months Up 53
Since Inception	25.89%	37.81%	Months Dn 23
Ann. SI (04/28/16)	3.59%	5.51%	
Sharpe Ratio		0.52	

Fund Codes: Advisor BMO99762; F-Class BMO95762

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	20.4%
ZEA	BMO MSCI EAFE Index ETF	20.4%
ZEM	BMO MSCI Emerging Markets Index ETF	9.8%
GDX	VanEck Gold Miners ETF/USA	5.4%
FLGB	Franklin FTSE United Kingdom ETF	3.9%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	3.2%
URA	Global X Uranium ETF	3.1%
FLJH	Franklin FTSE Japan Hedged ETF	3.0%
KWEB	KraneShares CSI China Internet ETF	3.0%
SMH	VanEck Semiconductor ETF	2.9%
XLP	Consumer Staples Select Sector SPDR Fund	2.8%
CIBR	First Trust NASDAQ Cybersecurity ETF	2.8%
MJ	ETFMG Alternative Harvest ETF	2.5%
ZCLN	BMO Clean Energy Index ETF	2.5%
FLIN	Franklin FTSE India ETF	2.3%
FLBR	Franklin FTSE Brazil ETF	1.6%
FINX	Global X FinTech ETF	1.6%
VNM	VanEck Vietnam ETF	1.5%
BOTZ	Global X Robotics & Artificial Intelligence ETF	1.5%
PAVE	Global X US Infrastructure Development ETF	1.1%

Chart of the Week

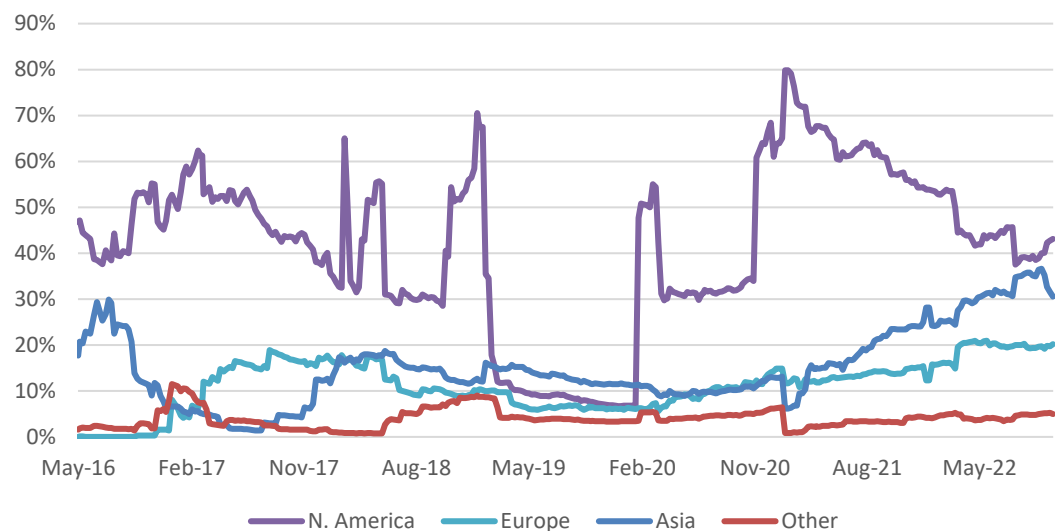

Defense
Core Portfolio Beta: 92.0%
Offense

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Tactical Asset Allocation

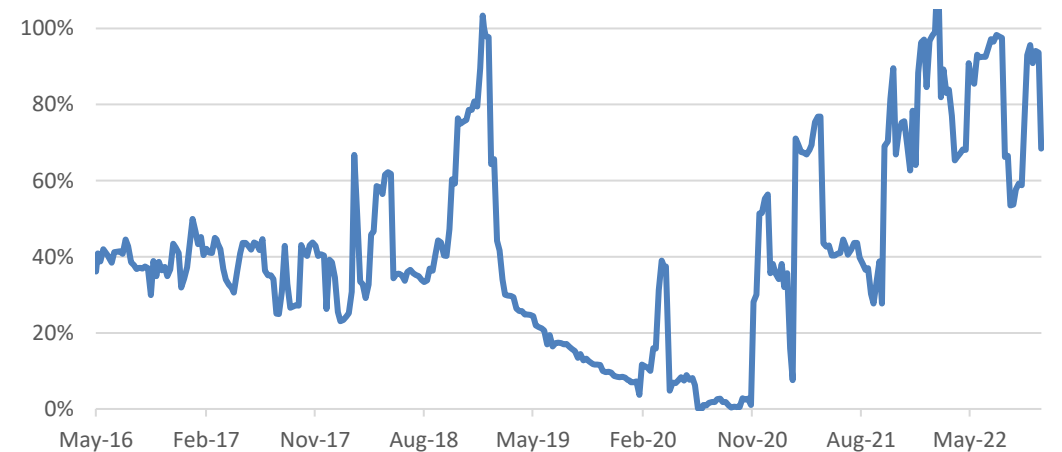
Equity	N. America	Europe	Asia	Other
10/28/22	43.1%	20.2%	30.5%	5.0%
10/21/22	42.7%	19.7%	31.6%	5.2%
Change	0.4%	0.4%	-1.0%	-0.2%

Sector	10/28/22	10/21/22	Change	BM
Basic Materials	14.49%	14.66%	-0.2%	4.3%
Communications	8.60%	9.11%	-0.5%	10.4%
Consumer, Cyclical	8.55%	8.52%	0.0%	10.6%
Consumer, Non-cyclical	19.77%	19.49%	0.3%	21.1%
Energy	5.57%	5.78%	-0.2%	5.4%
Financial	14.35%	14.53%	-0.2%	18.6%
Government	0.30%	0.30%	0.0%	18.6%
Industrial	9.58%	9.51%	0.1%	10.1%
Technology	14.16%	14.19%	0.0%	16.3%
Utilities	3.38%	3.10%	0.3%	3.1%

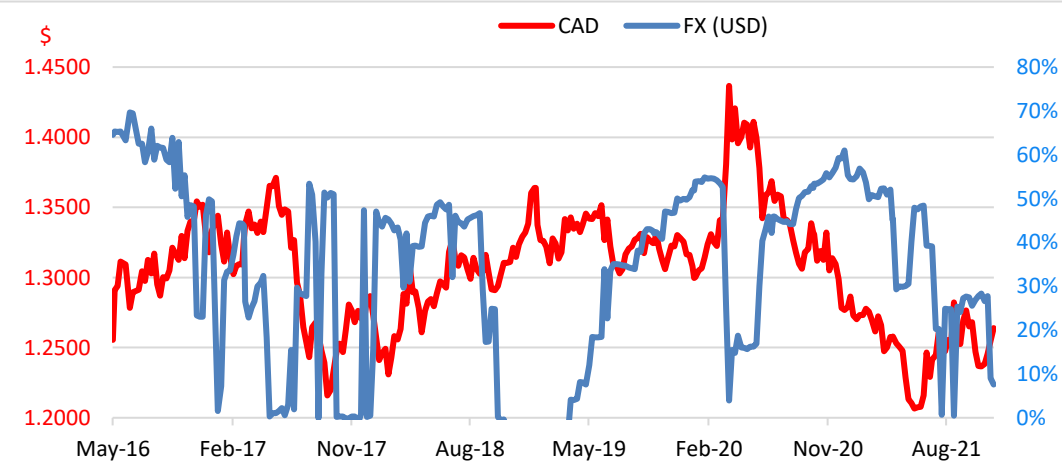
As of: Oct 28 2022	10/28/22	10/21/22	Change
FX (USD)	2.2%	1.1%	1.0%
Beta ²	92.0%	93.6%	-1.6%
Protection (Delta)	-23.6%	0.0%	-23.6%
Correlation	73.8%	75.0%	-1.1%
Yield ³	2.82%	2.89%	-0.07%
ETF Holdings	24	24	0
Volatility ⁴	10.65%	10.94%	-0.29%
CAD	1.3596	1.3640	-0.3%



Net Beta (Core - Protection): 68.4%



Tactical FX Exposure (USD)



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