



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

We are overweight re-opening and EM and cyclicals have sold off aggressively in the past few weeks. We will reopen and inflation is likely more than transitory. We added to positions in XLE, KWEB, and URA. We reduced exposure to stay at home, which is essentially big tech (ZUE). FANGMAN+T are now about 30% of the index. We also used US dollar strength to hedge up our exposure again. With very strong bearish seasonals extending through November, we added a hedge for October month end. The Delta variant has pushed back taper talk and slowed hopes for reopening trades NOT changed them. The weakness offers opportunity.

Top Holdings

Ticker	Name	Position
ZUE	BMO S&P 500 Hedged to CAD Index ETF	27.8%
RSP	Invesco S&P 500 Equal Weight ETF	17.0%
ZEA	BMO MSCI EAFE Index ETF	10.5%
ZGD	BMO Equal Weight Global Gold Index ETF	7.8%
ZEM	BMO MSCI Emerging Markets Index ETF	5.2%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	4.1%
DXJ	WisdomTree Japan Hedged Equity Fund	2.9%
XLE	Energy Select Sector SPDR Fund	2.8%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.7%
KWEB	KraneShares CSI China Internet ETF	2.5%
URA	Global X Uranium ETF	2.5%
ZCLN	BMO Clean Energy Index ETF	2.3%
VNM	Vanek Vectors Vietnam ETF	1.9%
INDA	iShares MSCI India ETF	1.8%
EWU	iShares MSCI United Kingdom ETF	1.4%
HMMJ	Horizons Marijuana Life Sciences Index ETF	1.3%
EWW	iShares MSCI Mexico ETF	1.2%
KBA	KraneShares BoserA MSCI China A ETF	1.1%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.8%
EIDO	iShares MSCI Indonesia ETF	0.7%

Macro Market Strategy

Taper talk should add some stress to Treasury funding needs in the coming months. This should negatively impact equity risk premium and stress yields higher. Earnings expectations for the S&P 500 are now 200 for 2021 and 219 for 2022, a multiple contraction with a less accommodative Fed should unwind some of that liquidity premium priced in over the COVID largess. 20x (still high) makes the 4000-4200 area very important support Q3 dip buying. If rates stay low and we do not see the expected rise in yields, then 22x the 2022 expectation of 219 makes 4800 a target for a 2022 high point. We do not expect an official tapering announcement at the late August Jackson Hole virtual conference. A strong employment report for August and continued improvement in weekly claims suggests a September taper announcement is still on.

Chart of the Week



PRO-EYES - Berman's Call

Risk Level High

The current core portfolio beta is 96.3% The current degree of beta protection is about -59%.

When the PRO EYES indicator is at elevated levels (above 75%), as it recently hit, we will have higher degree of beta protection on the portfolio. Historically, corrections that follow have a median of 7.3% and an average of 11.1% over the past 20 years. We have our downside hedge on the S&P 500 in place from 4200-3750 with a covered call at 4400 through Sept 30th. This is a tactical hedge and is actively adjusted as opportunities develop. For details of the [PRO-EYES-Berman's Call](#) Tactical Risk Models click link above.

Defense

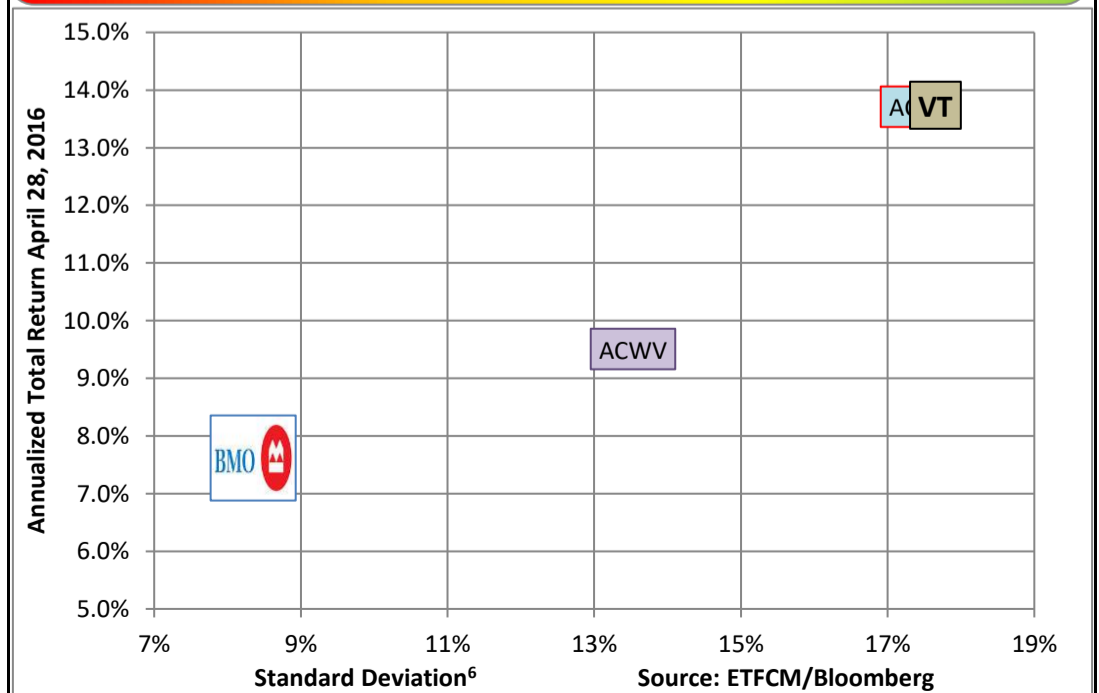
Core Portfolio Beta: 96.3%

Offense



Performance Metrics (A-Series) as of (08/20/21)

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	5.63%	6.80%	Upside	20%
Prev. Qtr.	-0.49%	-0.01%	Downside	26%
Prev. Year	5.22%	7.14%	Months Up	47
Since Inception	34.41%	44.16%	Months Dn	15
Ann. SI (04/28/16)	5.70%	7.62%		
Sharpe Ratio		0.91		



Fund Codes: Advisor BMO99762; F-Class BMO95762; No Load Retail: BMO70762

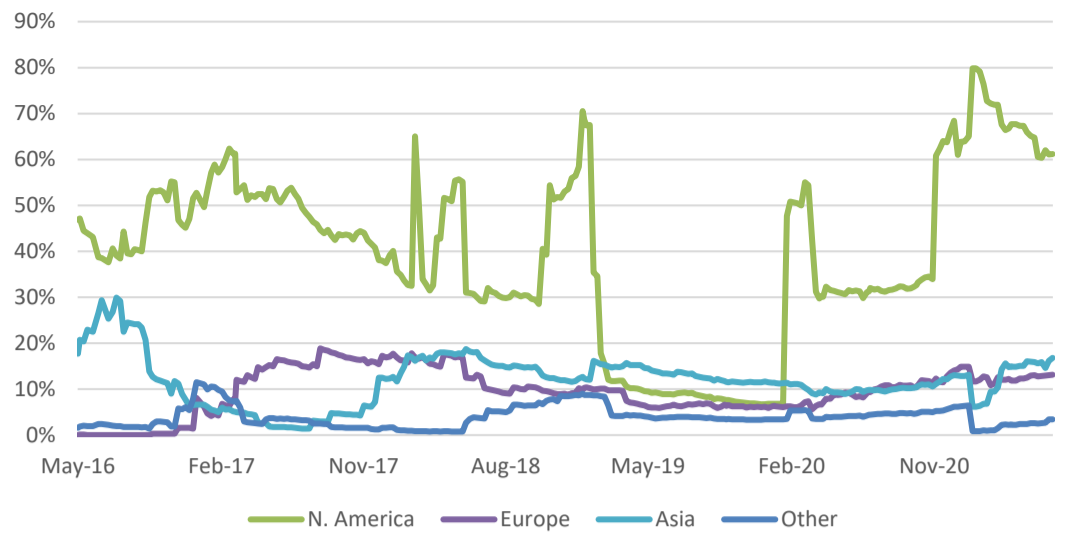
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Tactical Asset Allocation

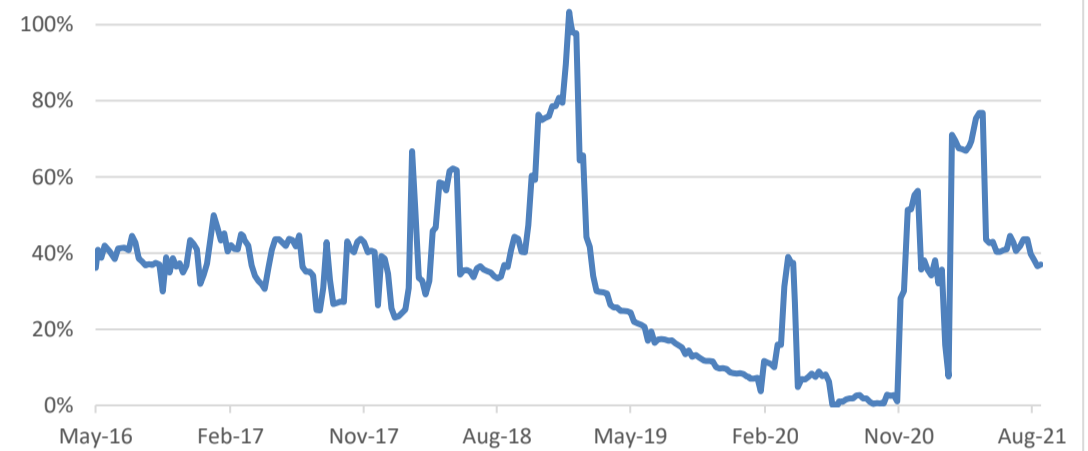
Equity	N. America	Europe	Asia	Other
08/20/21	61.4%	14.4%	20.9%	3.3%
08/13/21	63.8%	14.0%	19.5%	3.3%
Change	-2.4%	0.3%	1.4%	0.0%

Sector	08/20/21	08/13/21	Change	BM
Basic Materials	16.37%	16.55%	-0.2%	4.6%
Communications	9.90%	9.89%	0.0%	13.0%
Consumer, Cyclical	9.77%	10.03%	-0.3%	10.8%
Consumer, Non-cyclical	16.99%	17.19%	-0.2%	19.7%
Energy	6.45%	5.65%	0.8%	3.4%
Financial	14.92%	15.18%	-0.3%	18.0%
Government	0.03%	0.02%	0.0%	18.0%
Industrial	9.77%	9.77%	0.0%	10.6%
Technology	11.93%	12.53%	-0.6%	17.1%
Utilities	3.84%	3.72%	0.1%	2.6%

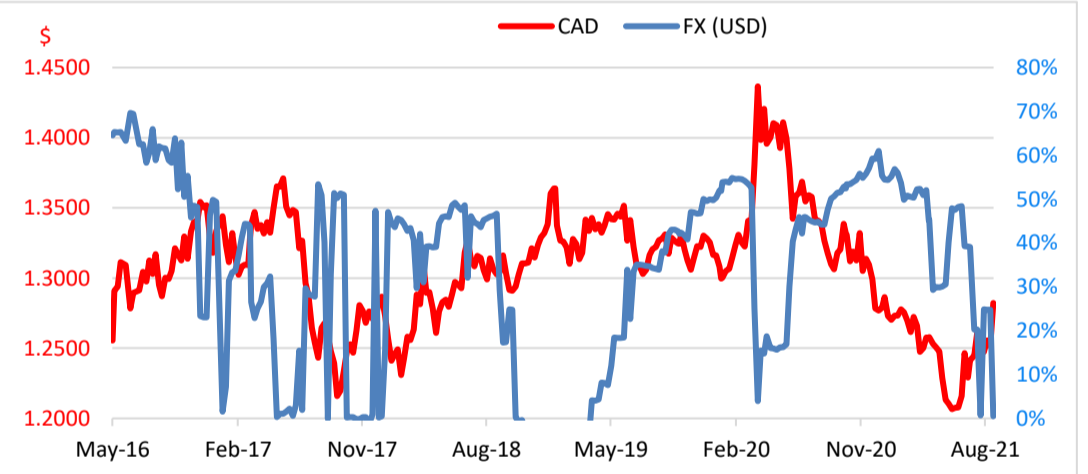
As of: Aug 20 2021	08/20/21	08/13/21	Change
FX (USD)	0.4%	24.8%	-24.3%
Beta ²	96.3%	92.9%	3.4%
Protection	-59.3%	-56.3%	-3.0%
Correlation	83.7%	84.8%	-1.1%
Yield ³	1.34%	1.29%	0.05%
ETF Holdings	23	23	0
Volatility ⁴	8.35%	8.53%	-0.18%
CAD	1.2821	1.2515	2.4%



Net Beta (Core - Protection): 37.0%



Tactical FX Exposure (USD)



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