



BMO Tactical Global Growth ETF Fund

Core Tactical/Strategic Portfolio Outlook/Adjustments

Gold had a bit of a setback last week and we trimmed exposure again into mid-week strength. We remain cautious overall for the next several months, but we are accumulating EM and thematic exposure as opportunities develop. Typically, the best opportunities are during periods of market weakness, which we have not seen in several weeks. Tactical currency moves can add value in the coming months as global investors debate the role of the US dollar. Anticipating a risk-off trade into Q3, the dollar should keep strength against most currencies. EM currencies have rallied and our overweight in Brazil (BRF, EWZ) has benefited. We look to trim here a bit looking to boost second tier EM exposures.

Macro Market Strategy

We continue to see the Fed as the swing factor in markets. We now know that the Treasury needs to raise another \$600B in excess of what the Fed is monetizing. That should add stress to asset prices in the coming quarters. The recent auctions have went relatively well, but most of it has been monetized. If this crush of bond supply meets a Fed buying less (given the taper talk in the latest FOMC minutes), the equity risk premium will most likely rise. So even as earnings expectations for the S&P 500 are now 189 for 2021 and 210 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 3700-3800 area very important support and target for yearend and Q3 dip buying. How much of the recovery in earnings for 2021 was priced in last year?

PRO-EYES - Berman's Call

Risk Level
High

The current core portfolio beta is 81.9% The current degree of beta protection is about -41%.

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.

Performance Metrics (A-Series) as of (06/04/21)

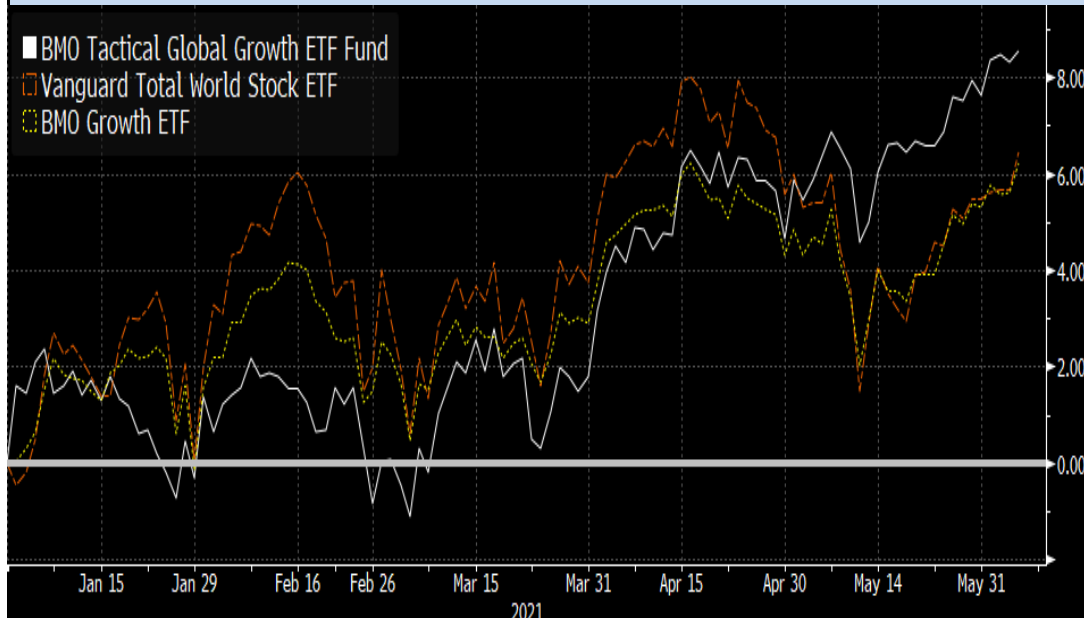
Total Return	Net	Gross	Upside/Downside ⁵	
YTD	8.06%	8.84%	Upside	20%
Prev. Qtr.	7.92%	8.39%	Downside	26%
Prev. Year	6.57%	8.49%	Months Up	45
Since Inception	37.51%	46.86%	Months Dn	15
Ann. SI (04/28/16)	6.41%	8.33%		
Sharpe Ratio		0.96		

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

Top Holdings

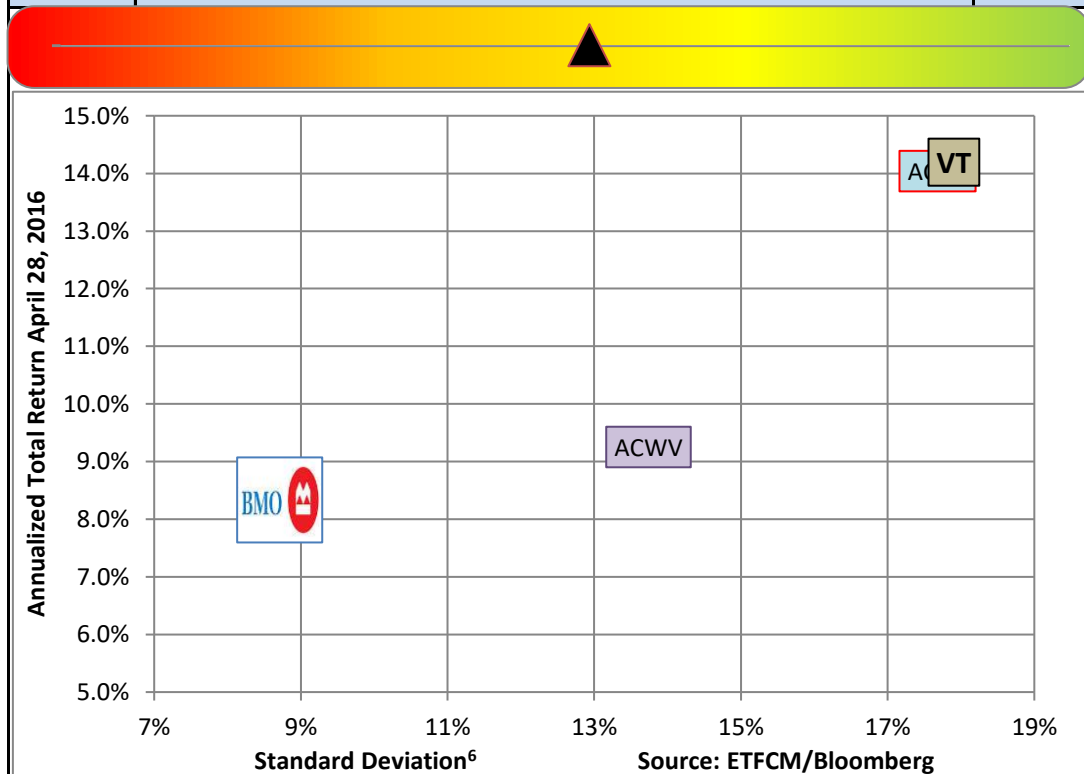
Ticker	Name	Position
ZSP	BMO S&P 500 Index ETF	29.5%
RSP	Invesco S&P 500 Equal Weight ETF	15.0%
ZEA	BMO MSCI EAFE Index ETF	9.5%
ZGD	BMO Equal Weight Global Gold Index ETF	8.9%
ZEM	BMO MSCI Emerging Markets Index ETF	5.2%
ZMT	BMO Equal Weight Global Base Metals Hedged to CAD Index ETF	4.6%
DXJ	WisdomTree Japan Hedged Equity Fund	2.8%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.5%
XLE	Energy Select Sector SPDR Fund	2.0%
ZCLN	BMO Clean Energy Index ETF	2.0%
VNM	Vanek Vectors Vietnam ETF	1.8%
INDA	iShares MSCI India ETF	1.6%
HMMJ	Horizons Marijuana Life Sciences Index ETF	1.5%
EWU	iShares MSCI United Kingdom ETF	1.3%
EWZ	iShares MSCI Mexico ETF	1.1%
KBA	KraneShares Boseria MSCI China A ETF	1.1%
BRF	VanEck Vectors Brazil Small-Cap ETF	0.9%
EWZ	iShares MSCI Brazil ETF	0.7%
EIDO	iShares MSCI Indonesia ETF	0.7%
CIBR	First Trust NASDAQ Cybersecurity ETF	0.5%

Chart of the Week



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Defense
Core Portfolio Beta: 81.9%
Offense


Source: ETFCM/Bloomberg

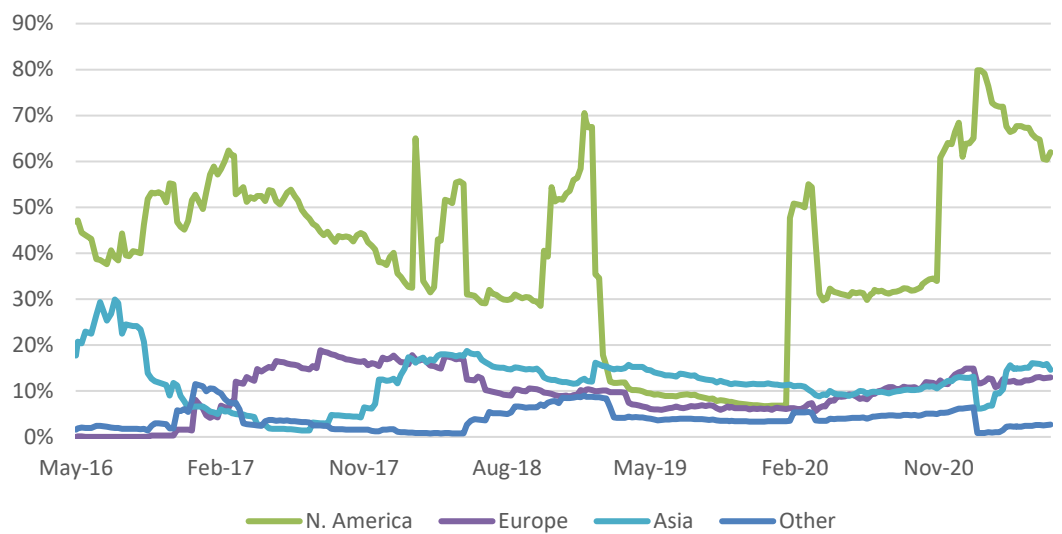
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Tactical Asset Allocation

Equity	N. America	Europe	Asia	Other
06/04/21	62.0%	12.9%	14.6%	2.7%
05/28/21	60.4%	12.8%	15.9%	2.6%
Change	1.6%	0.1%	-1.3%	0.1%

Sector	06/04/21	05/28/21	Change	BM
Basic Materials	16.30%	16.82%	-0.5%	4.3%
Communications	8.31%	8.17%	0.1%	11.5%
Consumer, Cyclical	9.19%	8.96%	0.2%	10.2%
Consumer, Non-cyclical	16.11%	16.09%	0.0%	20.6%
Energy	5.51%	5.37%	0.1%	5.1%
Financial	14.30%	14.10%	0.2%	21.4%
Government	0.01%	0.02%	0.0%	0.0%
Industrial	8.82%	8.71%	0.1%	10.9%
Technology	10.98%	10.79%	0.2%	12.6%
Utilities	3.40%	3.44%	0.0%	3.3%

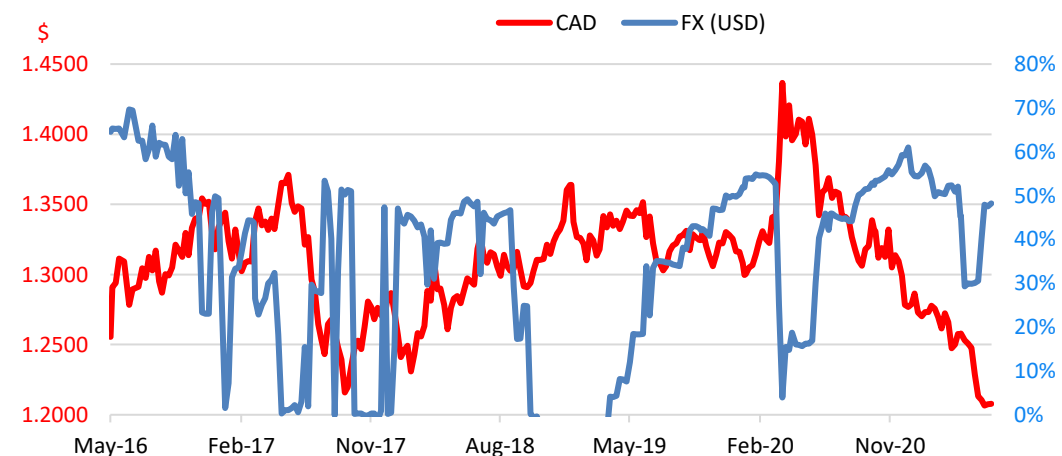
As of: Jun 4 2021	06/04/21	05/28/21	Change
FX (USD)	48.2%	47.5%	0.7%
Beta ²	81.9%	81.0%	0.9%
Protection	-41.2%	-40.6%	-0.6%
Correlation	72.5%	71.5%	1.0%
Yield ³	1.29%	1.29%	0.00%
ETF Holdings	20	20	0
Volatility ⁴	8.71%	8.63%	0.08%
CAD	1.2078	1.2076	0.0%



Net Beta (Core - Protection): 40.7%



Tactical FX Exposure (USD)



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