



BMO Tactical Dividend ETF Fund Highlights

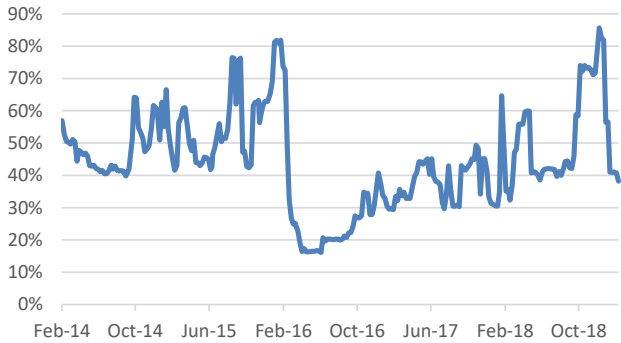
Defense

BETA SCORE

Offense



Beta (risk) Metrics



As of: Mar 1 2019	03/01/19	02/22/19	Change
FX (USD)	1.6%	1.7%	-0.1%
Beta ²	38.2%	40.8%	-2.6%
Correlation	44.0%	45.8%	-1.8%
Yield ³	4.22%	4.03%	0.19%
ETF Holdings	18	16	2
Volatility ⁴	8.08%	8.09%	-0.01%
CAD	1.3297	1.3135	1.2%

Performance Metrics

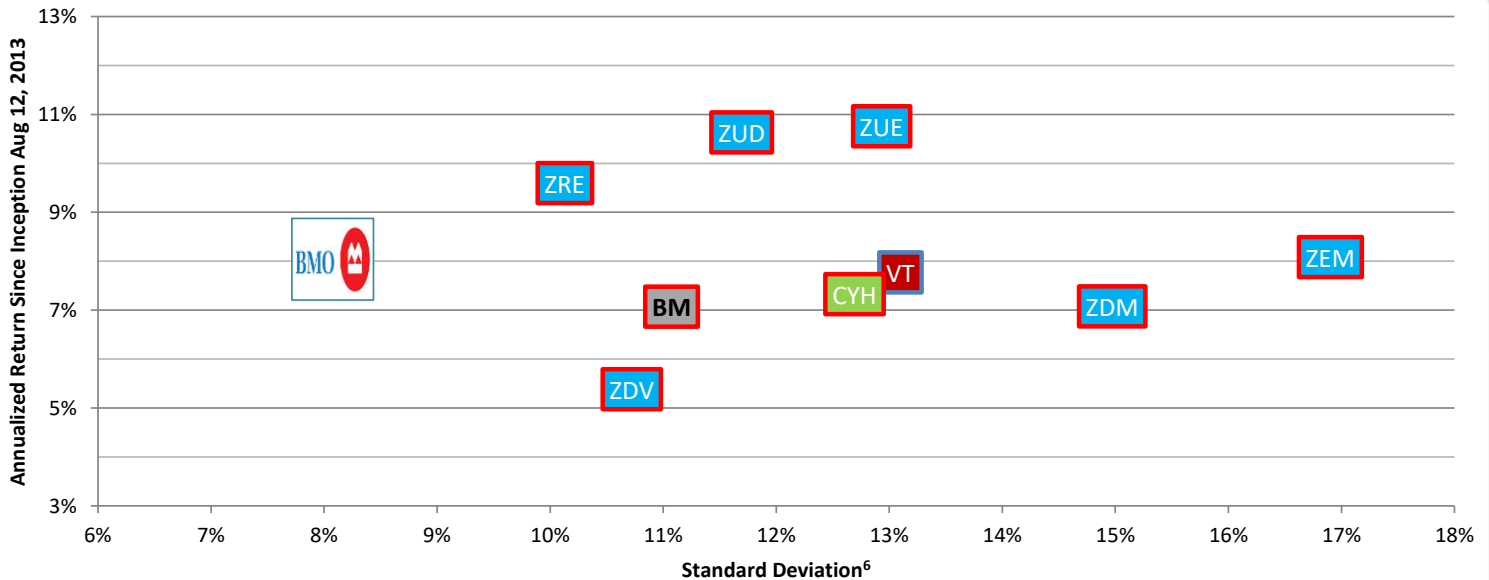
Total Return	Net	Gross	Upside/Downside ⁵	
YTD	7.67%	7.98%	Upside	52%
Previous Quarter	2.89%	3.37%	Downside	8%
Previous Year	5.08%	7.00%	Months Up	38
3-Year	7.76%	9.68%	Months Dn	27
5-Year	5.04%	6.96%		
Annualized SI	6.12%	8.04%		
Sharpe Ratio		0.87		

Market Strategy (Risk Management)

DEFENSE: The current beta is 38.2% vs. the benchmark of 73.4% and down from 40.8% last week. We made a few trades this week to reduce beta and increase yield. For the first time in months we nibbled at US long bonds (TLT) as yields increased to the highest levels in a few months. We sold US high yield covered call exposure (ZWH) and added the more defensive US put write exposure (ZPW). We probably do not see a sell the news event until China and the US ink a trade deal. Early forecasts of Q1 US GDP are in the 0.3-0.9% range. A trade deal likely prompts the Fed to raise rates again and a worsening tips the economy into recession. In Canada, we already have one foot in recession too with the recent GDP report. We are now in defensive mode seeking the highest yield possible with the least amount of risk to the portfolio.

Top 20 Holdings

Ticker	Name	Position
ZST	BMO Ultra Short-Term Bond ETF	29.4%
ZWP	BMO Europe High Dividend Covered Call ETF	9.3%
ZWU	BMO Covered Call Utilities ETF	8.5%
ZGD	BMO Equal Weight Global Gold Index ETF	8.1%
AML	Alerian MLP ETF	7.0%
ZPW	BMO US Put Write ETF	6.2%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	4.7%
ZPR	BMO Laddered Preferred Share Index ETF	4.2%
DXJ	WisdomTree Japan Hedged Equity Fund	3.1%
ZDH	BMO International Dividend Hedged to CAD ETF	3.0%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.7%
EDIV	SPDR S&P Emerging Markets Dividend ETF	2.4%
ZWC	BMO Canadian High Dividend Covered Call ETF	2.1%
TLT	iShares 20+ Year Treasury Bond ETF	2.0%
DGS	WisdomTree Emerging Markets SmallCap Dividend Fund	1.4%
DVYE	iShares Emerging Markets Dividend ETF	1.2%
ZWE	BMO Europe High Dividend Covered Call Hedged to CAD ETF	0.9%
SHV	iShares Short Treasury Bond ETF	0.0%
Total		96.3%

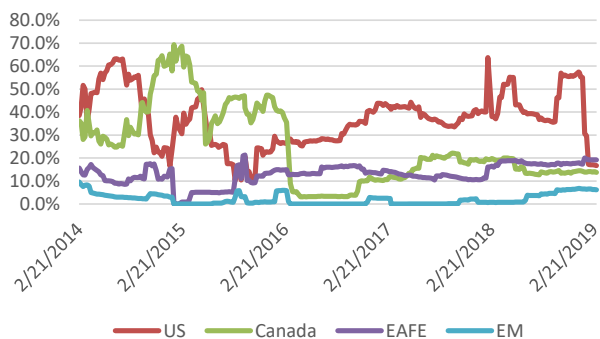


Fund Codes:

No Load: GGF70734; Advisor GGF99734; Low Load GGF98734; F-Class GGF95734; F6 GGF36734; ETF ZZZD

Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
03/01/19	16.8%	13.8%	19.2%	6.2%
02/22/19	16.9%	14.1%	19.1%	6.4%
Change	-0.1%	-0.3%	0.1%	-0.1%



Sector	03/01/19	02/22/19	Change
Financials	6.68%	5.81%	0.9%
Energy	11.89%	12.27%	-0.4%
Health Care	2.96%	2.91%	0.0%
Technology	1.98%	2.59%	-0.6%
Industrials	4.32%	3.98%	0.3%
Discretionary	3.72%	3.64%	0.1%
Real Estate	0.97%	1.25%	-0.3%
Staples	3.20%	3.14%	0.1%
Telecom	4.09%	4.27%	-0.2%
Utilities	5.33%	5.53%	-0.2%
Materials	10.87%	11.11%	-0.2%
Government	6.48%	4.55%	1.9%
Corporate	29.54%	24.11%	5.4%
C\$ Cash	39.55%	44.42%	-4.9%
U\$ Cash	-35.80%	-33.82%	-2.0%
Preferred	4.24%	4.23%	0.0%
Commodity	0.00%	0.00%	0.0%

ETF Style	Weight	ETF Style	Weight
Bonds	36.02%	Equity-Low-Vol	0.00%
Cash	3.74%	Equity-Put	6.22%
Equity-Call	20.81%	Equity-Sector	8.15%
Equity-Dividend	14.99%	Preferred	4.24%
Equity-Hedged	0.00%	Equity-REITs	0.00%
Equity-Unhedged	0.00%	Commodity	0.00%

Country Allocation & Trades

Relative to benchmarks, we have more exposure in EM, EAFE, and Canada versus the US, where excess valuation and corporate leverage poses higher risks. While economically the best dirty shirt in the laundry, if we are eventually heading into a recession, multiple contraction becomes the biggest relative risks. Also, internationally (>3%), dividend yields are far more attractive than in the US (<2%). We look to add to Japan and the UK within EAFE as well as pockets of emerging market dividend plays on corrections. We don't see an ultimate bear market bottom until 2020 or even into 2021. We can see a credit deleveraging cycle last a few years where buybacks stop and debt is repaid with corporate profits.

Sector/Style Trades

The shift from US high dividend payers (ZWH) to US put write (ZPW) caused some sector weight shifts, namely more financial exposure. We added to cash like holding in (ZST) to boost yield. We look to add to defensive holdings and look to increase fixed-income exposure as yields rise. Yield above 3% with strong capital gains potential in a recession makes long Treasuries a strong asset class in the next few years. The caveat is a central bank that sees higher than 2% inflation as a target, which suggests we could see the curve bear steepen a little before we see an eventual inversion later this year.

Currency Strategy & Trades

We almost hit our first BUY US\$ level in months, as the C\$ is recovering with oil prices and a BoC that seems to want to sneak in another rate hike or two this year despite the FOMC being on hold. We see limited rally potential for the C\$ with the weakening economic data in Canada. In a recession scenario, the C\$ should drop below 70 cents and WTI back to \$30 or lower. Target US\$ buy range 1.28-1.3050. We do not expect to see 80 cents (1.25) until after the recession plays out. We would be exceptionally bullish on Canada below 70 cents and with a change of government in Ottawa.

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1 The benchmark is the return of the targeted portfolio. As of Jan 1, 2017, the target portfolio is 80% (CYH) and 20% (ZDV); 2 Beta is a measure of how a fund responds to moves in the broader market. A beta of greater than 1.0 suggests that the fund is more volatile than the market, while a beta of less than 1.0 suggests that the fund is less volatile. 3 Yield is the most recent income received by the fund in the form of dividends, interest and other income annualized based on the payment frequency, divided by the current market value of the fund's investments. 4 Volatility is the annualized standard deviation which is a measure of risk. 5 Upside/Downside is a statistical measure of how much of the fund performance a manager captured during up-markets or down-markets. Typically, an investor would prefer a higher upside capture and lower downside capture. The time period presented is since inception. 6 Standard Deviation is a measure of risk that calculates the variation of a fund's performance around its average over a specific time period. * "BMO (M-bar roundel)" is a registered trade-mark of Bank of Montreal, used under licence. ETF Capital Management is a registered trade name of Quintessence Wealth, a Portfolio Manager, Investment Fund Manager and Exempt Market Dealer registered with the Canadian Securities Administrators.