



BMO Tactical Dividend ETF Fund Highlights

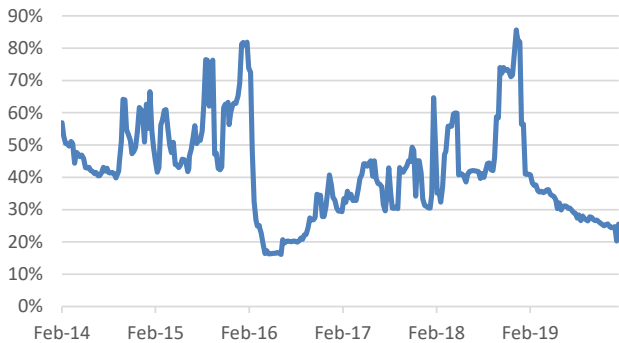
Defense

BETA SCORE

Offense



Beta (risk) Metrics



As of: Jan 31 2020	01/31/20	01/24/20	Change
FX (USD)	53.9%	54.5%	-0.6%
Beta ²	25.5%	20.3%	5.2%
Correlation	31.4%	30.1%	1.3%
Yield ³	4.25%	4.01%	0.24%
ETF Holdings	24	22	2
Volatility ⁴	7.62%	7.62%	-0.01%
CAD	1.3237	1.3143	0.7%

Performance Metrics

Total Return	Net	Gross	Upside/Downside ⁵	
YTD	0.48%	0.65%	Upside	43%
Previous Quarter	1.34%	1.82%	Downside	38%
Previous Year	5.97%	7.89%	Months Up	49
3-Year	4.82%	6.74%	Months Dn	25
5-Year	5.15%	7.07%		
Annualized SI	6.00%	7.92%	Sharpe Ratio	0.91

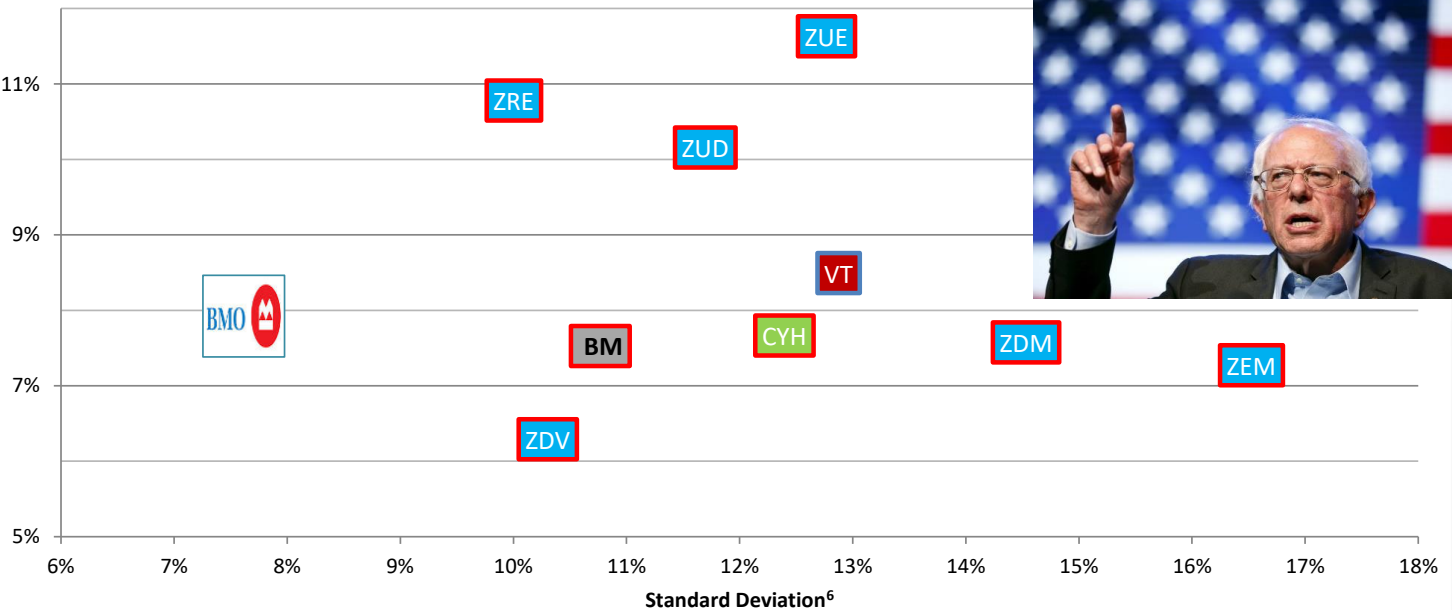
Market Strategy (Risk Management)

DEFENSE: The current beta is 25.5% vs. the benchmark of 69.2% and up from 20.3% last week. Bernie the "Black Swan" Sanders is starting to make a footprint. Bernie is going after the Polluters, Pharma, Big Tech, and the Banks to all pay their fair share of his multi trillion dollar Utopia. Let me just say that I agree with Bernie on many things. Inequality, first and foremost, is a massive social issue. Now a shift to Socialism and BIGGER government in the US ain't going to fix it, but he's going to try. Historically, the inequality fix has come from wealth destruction and not from boosting the bottom half. Needless to say, but we'll say it anyway, Bernie Risk is not priced in. Did you notice the US yield curve inverted again? Can you say 10-year USTs heading for ZERO yield? January saw a 40 bps flattening in the 3M-10Y curve, but don't you worry, those 5 stocks will continue to lift the market...until they do not.

Top 20 Holdings

Ticker	Name	Position
ZTL	BMO Long-Term US Treasury Bond Index ETF	11.2%
ZGD	BMO Equal Weight Global Gold Index ETF	9.3%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	8.6%
ZWU	BMO Covered Call Utilities ETF	7.9%
ZWP	BMO Europe High Dividend Covered Call ETF	7.8%
ZST	BMO Ultra Short-Term Bond ETF	5.8%
AMPLP	Alerian MLP ETF	5.7%
ZPAY	BMO Premium Yield ETF	5.2%
ZPW	BMO US Put Write ETF	4.9%
SHV	iShares Short Treasury Bond ETF	4.4%
XLE	Energy Select Sector SPDR Fund	4.0%
ZPR	BMO Laddered Preferred Share Index ETF	3.4%
EDIV	SPDR S&P Emerging Markets Dividend ETF	2.9%
BTAL	AGFIQ US Market Neutral Anti-Beta Fund	2.8%
QBTL	AGFIQ US Market Neutral Anti-Beta CAD-Hedged ETF	2.7%
DXJ	WisdomTree Japan Hedged Equity Fund	2.6%
ZDH	BMO International Dividend Hedged to CAD ETF	2.5%
EWUS	iShares MSCI United Kingdom Small-Cap ETF	2.4%
ZWC	BMO Canadian High Dividend Covered Call ETF	1.8%
DGS	WisdomTree Emerging Markets SmallCap Dividend Fund	1.1%

Annualized Return Since Inception Aug 12, 2013

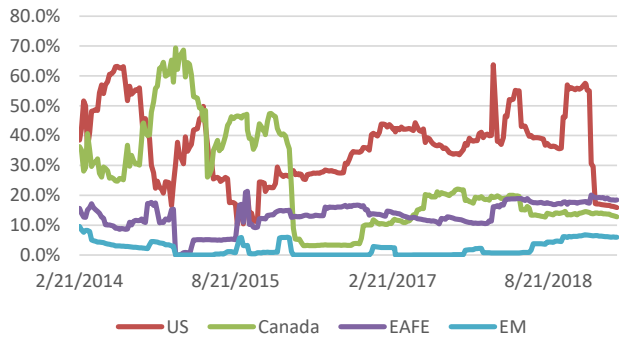


Fund Codes:

Advisor BMO99734; Low Load BMO98734; F-Class BMO95734; F6 BMO36734; ETF ZZDD; No Load Retail: BMO70734

Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
01/31/20	29.1%	13.9%	16.6%	6.5%
01/24/20	25.0%	13.9%	17.0%	5.6%
Change	4.1%	0.1%	-0.4%	0.9%



Sector	01/31/20	01/24/20	Change
Financials	6.11%	5.72%	0.4%
Energy	14.02%	10.26%	3.8%
Health Care	3.47%	2.53%	0.9%
Technology	3.67%	1.69%	2.0%
Industrials	4.22%	3.73%	0.5%
Discretionary	3.62%	3.24%	0.4%
Real Estate	0.94%	0.83%	0.1%
Staples	3.46%	2.73%	0.7%
Telecom	3.92%	3.68%	0.2%
Utilities	4.82%	4.86%	0.0%
Materials	12.49%	22.23%	-9.7%
Government	23.89%	28.66%	-4.8%
Corporate	6.05%	6.44%	-0.4%
C\$ Cash	5.67%	5.18%	0.5%
U\$ Cash	-5.22%	-5.25%	0.0%
Preferred	3.41%	3.47%	-0.1%
Commodity	0.00%	0.00%	0.0%

ETF Style	Weight	ETF Style	Weight
Bonds	29.94%	Equity-Low-Vol	0.00%
Cash	0.45%	Equity-Put	4.89%
Equity-Call	18.21%	Equity-Sector	24.87%
Equity-Dividend	13.14%	Preferred	3.41%
Equity-Hedged	0.00%	Equity-REITs	0.00%
Equity-Unhedged	0.00%	Commodity	0.00%

Country Allocation & Trades

What is the portfolio construction that will give us a good yield and preserve capital in a global recession? Europe is a mess and has no long-term chance to be fixed with a negative rate policy and no fiscal union. While fundamentally cheaper from a P/E perspective, it's a value trap of major proportions. Emerging markets have great relative valuation too, but carries 50% higher risk on a standard deviation basis. Japan has some great dividend payers and intrinsic relative value and we have some exposure. However, it's the oldest (demographically speaking) economy in the world and they are the poster child for anemic growth and QE that has not worked. The UK still has some BREXIT risks, but is relatively cheap on a currency adjusted basis. Let's call it strategic nibbling in the regions where there is some relative value. While the US is a fiscal mess, it's the best dirty shirt in the laundry, though it's very expensive from an adjusted P/E perspective. The best investment skill we know is patience. Higher yield and lower volatility portfolio (sleep-at-night) is where we will sit clipping coupons and dividends until risk-adjusted returns improve. The yield in the US energy sector is getting attractive. We added some exposure last week (XLE).

Sector/Style Trades

Our multi-factor macro risk model assesses 1) Valuation; 2) Sentiment; 3) Business cycles; and 4) Geopolitics in the framework of game theory. The model suggests that the global economy is House of Cards built on a foundation of leverage and liquidity. We have never been more concerned about markets in our 30 plus year history (which includes 1987, but what the #@!% did we know about the world at 22). It's been said that we've been concerned about the world for years and we've been wrong. YES, we have, and when we've seen the corrections and valuation improve we have taken advantage of it--like we did in Q1 and Q4 2018. We do not believe the next dip will come back like the others have. We see the Fed out of bullets and while they may use a negative rates and permanent QE policies in the US, we see low rates as toxic than stimulative and eventually massively inflationary as the US embraces socialism. The most attractive sector in the world right now is precious metals with the entire world of bonds having a negative real return. The most attractive companies right now are the ones with the cleanest balance sheets. The quality factor makes immense sense. The next best asset class for a Canadian is probably the US\$, though it really depends on what the BoC does following the Fed rate cuts. We see a fractured political landscape globally that will likely lead to MMT policies all over the world. It will be inflationary at some point, but it could be years (decades) away still. Real Assets should outperform, but an era of stagnation lies ahead. Real return bonds could be particularly attractive once the disinflation era ends.

Currency Strategy & Trades

The US yield curve tells us we are heading into recession. Global trade wars are a major catalyst. We are now likely to see global central banks competing to cut rates. We should see a considerable increase in currency market volatility. For the C\$, we should see a stronger US dollar especially if we see Canadian data turn down. The C\$ is likely heading below 70 cents and possibly towards all-time lows around 62 cents. For now, Canada's faltering employment picture should move the BoC off the sidelines in the coming months. C\$ risk is bearish and we added to US\$ exposure last week.

This communication is intended for information purposes only. This update has been prepared by ETF Capital Management, the portfolio manager of BMO Tactical Dividend ETF Fund and represents their assessment at the time of publication. The views are subject to change without notice as markets change over time. The information contained herein is not, and should not be construed as, investment advice to any party. Investments should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. The statistics provided in this presentation are based on information believed to be reliable, but BMO Investments Inc. cannot guarantee they are accurate or complete. BMO Global Asset Management is a brand name that comprises BMO Asset Management Inc., BMO Investments Inc., BMO Asset Management Inc. and BMO's specialized investment management firms. BMO Mutual Funds are offered by BMO Investments Inc., a financial services firm and separate legal entity from the Bank of Montreal. Commissions, management fees and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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 license. 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.