

BMO Tactical Balanced ETF Fund Highlights

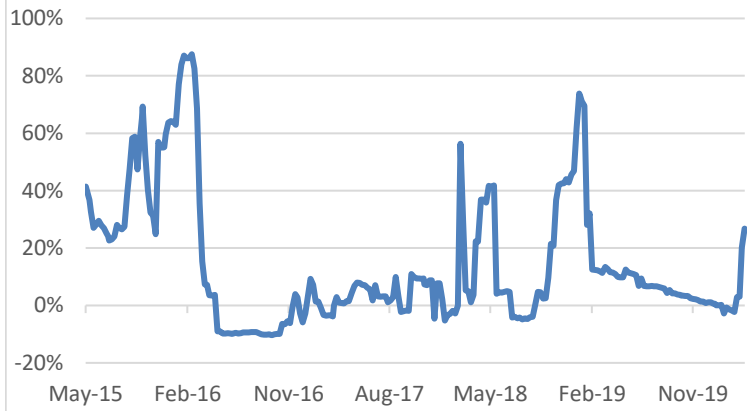
Defense

BETA SCORE

Offense



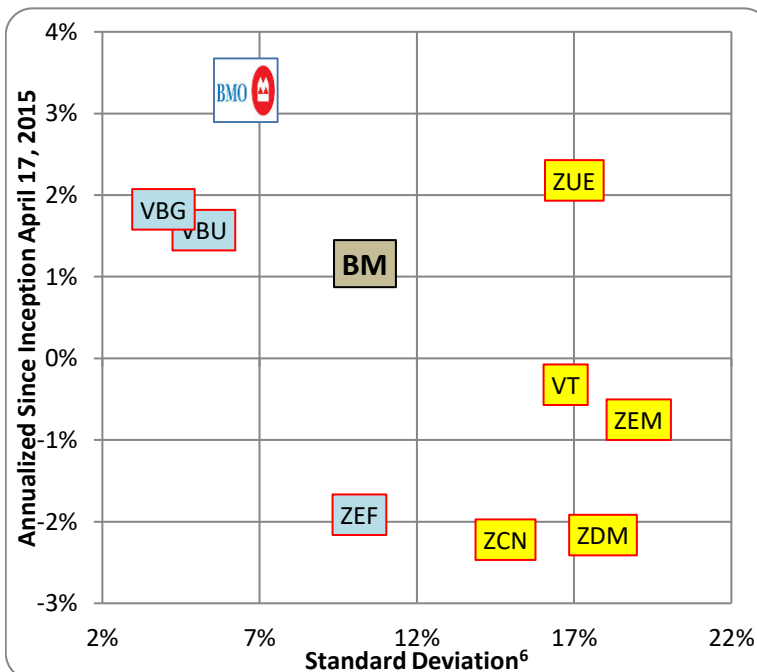
Beta (risk) Metrics



As of: Mar 20 2020	03/20/20	03/13/20	Change
FX (USD)	2.7%	25.8%	-23.1%
Beta ²	26.7%	20.2%	6.5%
Correlation	75.7%	44.1%	31.6%
Yield ³	3.36%	3.60%	-0.24%
ETF Holdings	16	19	-3
Volatility ⁴	6.56%	6.30%	0.27%
CAD	1.4366	1.3806	4.1%

Performance Metrics

Total Return	Net	Gross	Up/Downside ⁵
YTD	-5.84%	-5.42%	Upside 27%
Prev. Month	-7.48%	-7.32%	Down 21%
Prev. Quarter	-5.91%	-5.43%	Mths Up 39
Prev. Year	-4.93%	-3.01%	Mths Dn 19
Annualized SI	1.36%	3.28%	
Sharpe Ratio	0.50		



Market Strategy (Risk Management)

DEFENSE: The current beta is 26.7% vs. the benchmark of 60.6% up from 20.2% last week. We are getting our shopping list ready. We are not there yet. Our very worst-case scenario for the S&P 500 is \$90 EPS and a 12x multiple = 1080. Yes, I know! Probability is <10%. If you could tell me when the vaccine comes and how COVID20 plays out (there will be a COVID20), I could tighten that number up a bit. Realistically, we have a good 50% chance at the 1500 area. Technically, the 2000 and 2007 highs were in that range (1550-1575). We think the 152 in SPX EPS is 10% share buyback enhanced and 10% proforma enhanced. Real GAAP EPS (I really hope we go back to that) is \$120. Now let's talk about the EPS haircut coming. The STREET IS GROSSLY BEHIND THE CURVE. They think EPS 12 months forward is still positive (see chart). The 2009 collapse in EPS was 40%. So let's say, the \$152 is real (it isn't), we get \$90 at a 40% off sale. A 16x (long-term average) on \$120 gets us 1920 (this is the minimum downside target). But it's more likely 16x on \$90, which is 1440. We also get that with a 12x \$120. The market does not bottom until VIX drops below 40 on a regular basis AND analysts start to discount forward EPS below actual (chart). There are technical and fundamental targets in the 1500 area. It's a most reasonable WCS. Below 1920 the shopping list comes out. Until then, WE ARE IN DEFENSE MODE.

Top Holdings

Ticker	Name	Position
ZPAY	BMO Premium Yield ETF	16.5%
EMLC	VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	13.8%
BWZ	SPDR Bloomberg Barclays Short Term International Treasury Bond E	11.7%
FLOT	iShares Floating Rate Bond ETF	5.7%
ZGD	BMO Equal Weight Global Gold Index ETF	4.6%
ZPR	BMO Laddered Preferred Share Index ETF	3.1%
GLD	SPDR Gold Shares	1.7%
XLE	Energy Select Sector SPDR Fund	1.1%
ZPH	BMO US Put Write Hedged to CAD ETF	1.1%
ZPW	BMO US Put Write ETF	0.9%
ZWU	BMO Covered Call Utilities ETF	0.9%
ZWC	BMO Canadian High Dividend Covered Call ETF	0.7%
AML	Alerian MLP ETF	0.6%
GDX	VanEck Vectors Gold Miners ETF	0.5%
ZUP	BMO US Preferred Share Index ETF	0.4%
ZRR	BMO Real Return Bond Index ETF	0.4%
Total		63.8%



Chart(s) of The Week

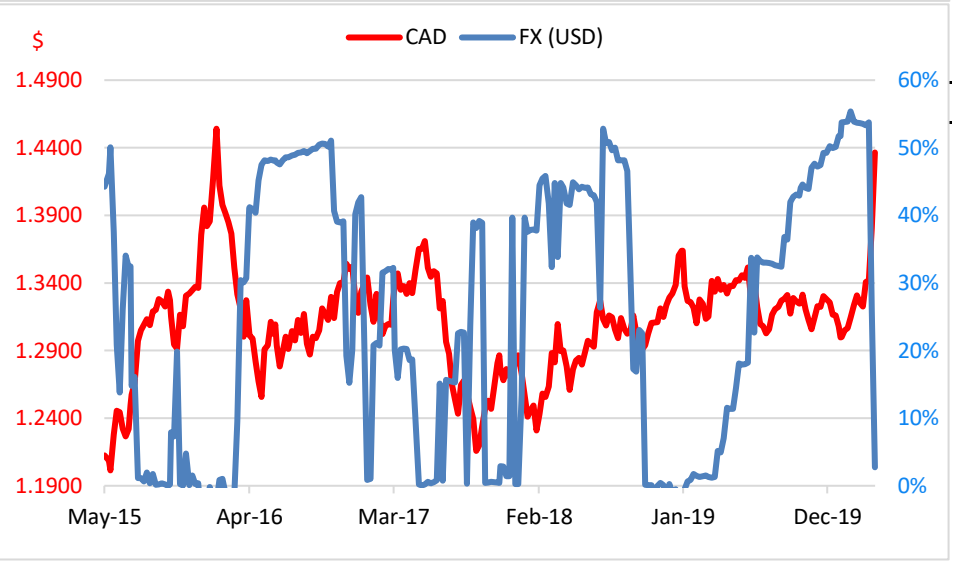
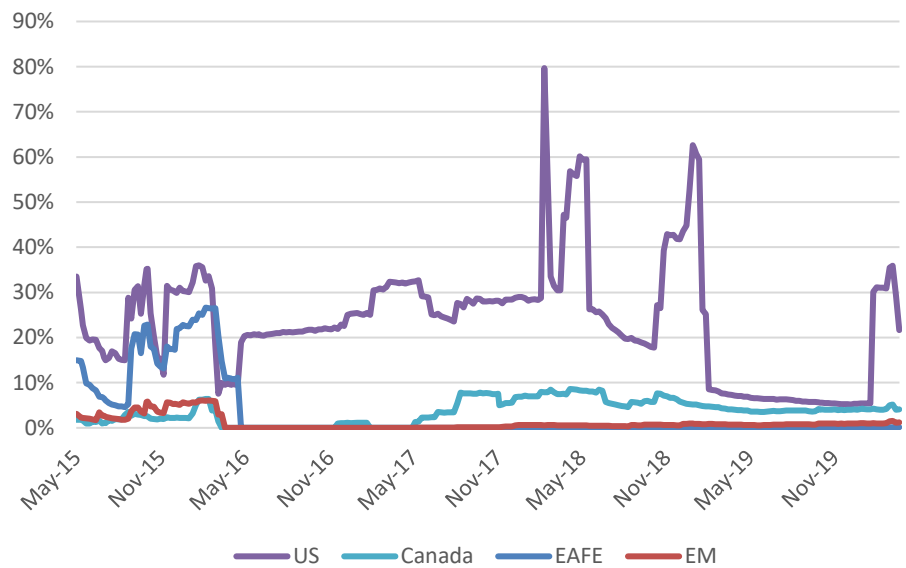
SPX Index	96) Actions	97) Settings	Consensus Overview					
S&P 500 Index								
Periodicity	Flavor	View	Growth	Currency	USD			
Measure	Actual	F12 Est	Growth	Y+1 Est	Growth	Y+2 Est	Growth	
1) Earnings Per Share	152.01	166.72	9.67%	187.06	12.20%	208.22	11.31%	
2) EPS Positive	152.01	167.33	9.15%	187.47	12.04%	208.22	11.07%	
3) Cash Flow Per Share	233.39		5.55%	266.94	8.36%	292.49	9.57%	
4) Dividends Per Share	60.60	76.13	25.63%	65.74	-13.65%	68.94	4.87%	
5) Book Value Per Share	907.72	959.25	5.68%	1037.08	8.11%	1130.11	8.97%	
6) Sales Per Share	1395.68	1428.46	2.35%	1503.47	5.25%	1585.79	5.47%	
7) EBITDA Per Share	278.05	283.34	1.90%	308.03	8.71%	332.75	8.02%	
8) Long Term Growth	0.00	7.75	0.00%	0.00	0.00%	0.00	0.00%	
9) Net Debt Per Share	502.29	532.05	5.93%	494.15	-7.12%	337.40	-31.72%	
10) Enterprise Value Per Share	2950.06	2993.06	1.46%	2954.85	-1.28%	2782.67	-5.83%	

Tactical Asset Allocation

Equity	US	Canada	EAFE	EM
03/20/20	21.7%	4.1%	0.1%	1.2%
03/13/20	29.3%	4.0%	0.1%	1.1%
Change	-7.6%	0.1%	0.0%	0.1%

Bonds	Corp.	Govt.	Pref.	Cash	Duration
03/20/20	5.5%	26.0%	3.5%	36.2%	1.58
03/13/20	21.6%	23.3%	3.8%	16.2%	1.84
Change	-16.1%	2.7%	-0.3%	20.0%	-0.26

Sector	03/20/20	03/13/20	Change
Financials	1.28%	1.33%	-0.1%
Energy	2.58%	2.94%	-0.4%
Health Care	3.26%	3.34%	-0.1%
Technology	5.90%	6.02%	-0.1%
Industrials	2.13%	2.18%	-0.1%
Discretionary	2.10%	2.17%	-0.1%
Real Estate	0.21%	0.22%	0.0%
Staples	2.52%	2.56%	0.0%
Telecom	1.10%	1.15%	-0.1%
Utilities	0.46%	0.51%	-0.1%
Materials	5.47%	4.96%	0.5%
Government	26.05%	23.32%	2.7%
Corporate	5.51%	21.57%	-16.1%
C\$ Cash	87.88%	41.47%	46.4%
U\$ Cash	-51.66%	-25.25%	-26.4%
Preferred	3.49%	3.84%	-0.3%
Commodity	1.73%	0.66%	1.1%



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1 Benchmark is the return of the targeted portfolio 60% global equities and 40% global bonds hedged to Canadian dollars; 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.

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